



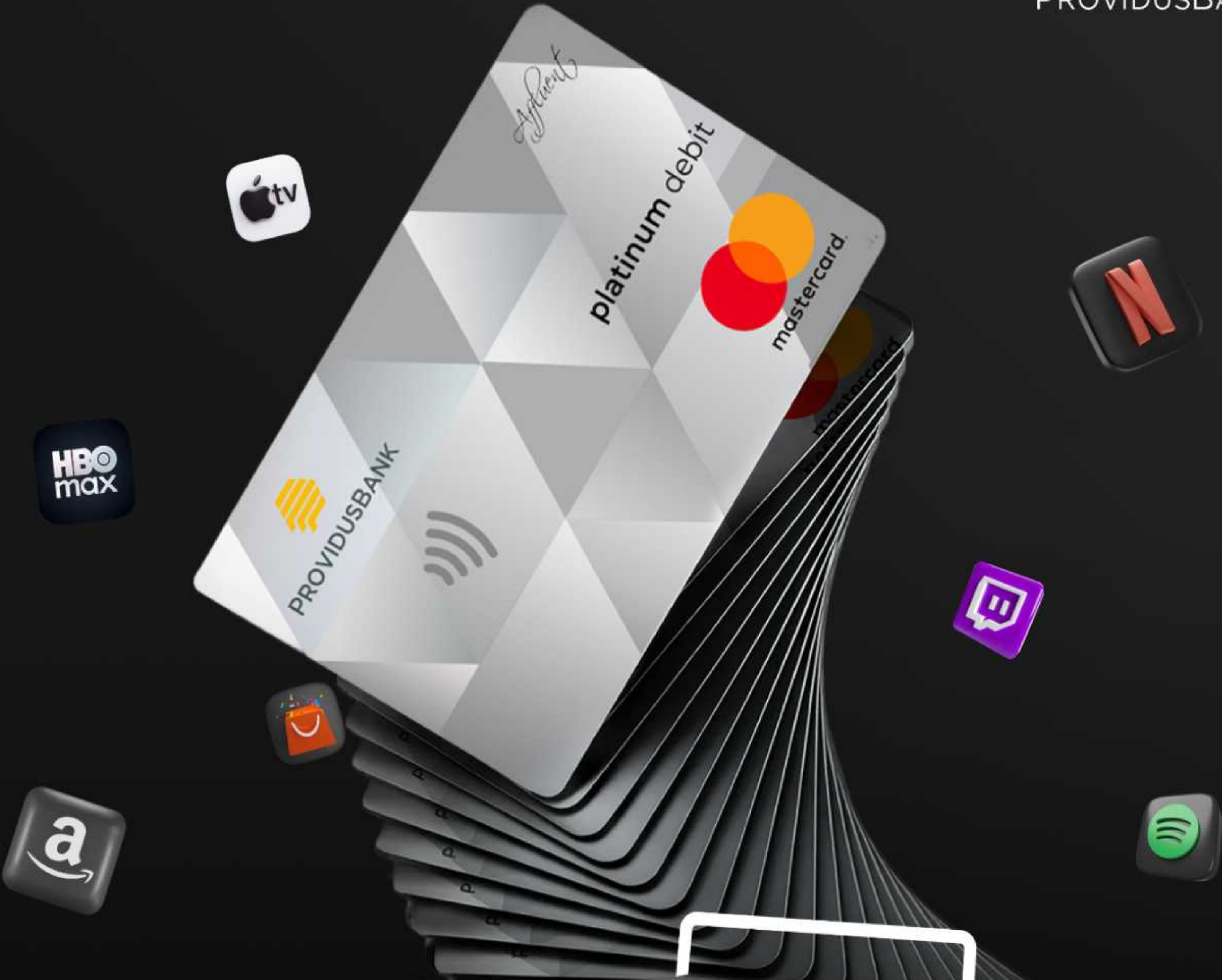
PROVIDUSBANK

# **20 25** ANNUAL REPORT & FINANCIAL STATEMENTS





PROVIDUSBANK



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# Notice of Annual General Meeting



NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of PROVIDUS BANK LIMITED ("the Bank") will be held at the **Three Continents Hall (Africa, Asia & America)**, Eko Hotel & Suites, Victoria Island, Lagos, on **Thursday, 11th June, 2026 at 11:00 A.M.** to transact the following business:

## ORDINARY BUSINESS:

1. Presentation Of the Audited Financial Statements for the year ended 31st December 2025 and the Reports of the Directors and External Auditors thereon.
2. Declaration of dividend.
3. Election of directors retiring by rotation.
4. Appointment/ re-appointment of external auditors and authorize the Directors to fix the remuneration of the external auditors for the ensuing year.
5. Any Other business.

## SPECIAL BUSINESS

1. To consider and, if thought fit, pass the following sub-joined resolutions as an ordinary resolution:
  - a. That the Board of Directors be and are hereby authorized to raise additional capital of up to N150,000,000,000 (One Hundred and Fifty Billion Naira), whether by way of private or special placement, rights issue, tier 2 capital, debt conversion or other methods through the issuance of shares, global depository receipts, convertibles or non-convertible medium-term notes, bonds, and/or any other instrument either as a standalone or by way of a program in such tranches, series or proportions, at such coupon or interest rate, within such maturity period and on such terms and conditions as may be determined by the Board, subject to obtaining the approval of relevant regulatory authorities.
  - b. That the Directors be and are hereby authorized to issue such new ordinary shares and/or make such allotments of shares or approve any allotment proposals as may be deemed necessary and expedient to give effect to the above resolution, subject to obtaining the approvals of the relevant regulatory authorities.



- c. That the Directors be and are hereby authorized to appoint such professional parties and advisers and to perform all such other acts and do all such other things as may be necessary to give effect to the above resolution, including without limitation complying with the directives of any regulatory authority.

**2. To consider and, if thought fit, pass the following sub-joined resolutions as an ordinary resolution:**

- a. That following the completion of the additional capital raise as contemplated in item 1 above, the issued share capital of the Company be and is hereby increased from ₦20,902,916,875 (Twenty Billion Nine Hundred and Two Million Nine Hundred and Sixteen Thousand Eight Hundred and Seventy-Five Naira) to ₦29,902,916,875 (Twenty-Nine Billion Nine Hundred and Two Million Nine Hundred and Sixteen Thousand Eight Hundred and Seventy-Five Naira) by the creation/issuance of additional shares up to a maximum of 18,000,000,000 (Eighteen Billion) ordinary shares of 50 kobo each, and such new shares shall rank pari passu in all respects with the existing ordinary shares in the capital of the Company.
- b. That any increase in share capital pursuant to such equity capital raises contemplated in 1(a) above shall be registered with the Corporate Affairs Commission, in such incremental proportions or tranches as may be undertaken by the company as the Board in its absolute discretion may deem necessary or desirable; and the Board is hereby authorised to issue on behalf of shareholders, such resolutions as may be required by the Corporate Affairs Commission to effect the registration of any tranche(s) or proportion of the proposed increase in share capital
- c. That consequent to 2(a) above, Clause 6 of the Memorandum of Association and Article 10 of Articles of Association of the Company be amended upon completion of each equity capital raise to reflect any newly issued and paid-up share capital as may be determined by Directors in their absolute discretion.

**BY ORDER OF THE BOARD**



Chijioke Agu (ACIS)

Ag. Company Secretary

Dated this 12th Day of May 2026



## NOTES

### I Proxies

A member who is entitled to appoint a proxy to attend and vote in their stead. A proxy need not be a member of the company. For an appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrars, PAC Registrars & Investor Services Limited, No. 122 Bode Thomas Street, Surulere, Lagos, not later than 48 hours before the time fixed for the meeting. A blank form of proxy is attached to the Annual Report.

### II Closure of Register

The Register of Members of the Company will be closed from Monday, June 1 2026, to Friday, June 5, 2026.

### III Dividends

If the proposed dividend of 11 Kobo only per Ordinary Share of 50 Kobo each, totalling ₦4,500,000,000.00 (Four Billion Five Hundred Naira) is approved, the dividend will be paid on Monday, 15th June, 2026 to shareholders whose names appear in the Register of Members at the close of business on June 5, 2025. The proposed dividend is subject to withholding tax at the applicable tax rate.

### IV E-Dividends

Notice is hereby given to all Shareholders who have yet to mandate their dividends to their bank accounts to kindly update their records by completing the e-dividend mandate form and submitting the same to the Registrars, as dividends will be credited electronically to Shareholders' accounts.

Detachable application forms for the e-dividend mandate and Shareholders' Update form are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from [ss: cofa4christ@gmail.com](mailto:cofa4christ@gmail.com), the Company's website, or obtained from the Registrars. The completed forms should be returned to PAC Registrars & Investor Services Limited, 122 Bode Thomas Street, Surulere, Lagos.

### V Voting

Voting at the meeting shall be by a show of hands.

### VI Re-election of Directors

#### a) Re-election of Directors

In accordance with the provisions of Article 98 of the Company's Articles of Association, Mallam Hussaini Dikko (Board Chairman) and Mr. Mahmud Tukur are the Non-Executive Directors to retire by rotation at the Annual General Meeting. The retiring Directors, being eligible, have offered themselves for re-election.

The profile of all the Directors, including those up for election/re-election, is in the Annual Report and on the Company's website, [www.providusbank.com](http://www.providusbank.com).



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Corporate office

Providus Bank Limited  
54, Adetokunbo Ademola Street  
Vitoria Island,  
Lagos

RC Number198892

| Directors                     | Capacity                                     | Date of Appointment |
|-------------------------------|----------------------------------------------|---------------------|
| Mallam Husiani Dikko          | Chairman                                     | May, 2016           |
| Mr. Walter Akpani             | Managing Director/ Chief Executive Officer   | May, 2016           |
| Mr. Kingsley Aigbokhaevbo     | Executive Director/ Deputy Managing Director | May, 2016           |
| Mr. Chuka Eseka               | Non-Executive Director                       | May, 2016           |
| Mr. Maurice Onokwai           | Non-Executive Director                       | May, 2016           |
| Mr. Funmi Augusto             | Non-Executive Director                       | May, 2016           |
| Mrs. Bernadine Okeke          | Non-Executive Director (Independent)         | Mar, 2018           |
| Dr. (Mrs.) Diei Belinda Bobby | Non-Executive Director (Independent)         | Aug, 2021           |
| Mr. Adeoye Ojuroye            | Executive Director/ Chief Financial Officer  | Dec, 2022           |
| Mr. Mahmud Tukur              | Non-Executive Director                       | July, 2024          |

Auditors

PricewaterhouseCoopers  
Chartered Accountants  
FF Millenium Towers  
13/14 Ligali Ayorinde Street  
Victoria Island  
Lagos

Registrars

PAC Registrars  
122 Bode Thomas Street  
Surulere  
Lagos

Ag. Company secretary

Chijioke Agu  
114 Adeola Odeku Street  
Victoria Island  
Lagos



# Chairman's Statement

Driving growth through our customer-focused strategy

2025 has been another year of growth for the Bank. We made progress with the implementation of our strategies, which focused primarily on ensuring that we helped customers achieve their objectives, while we benefited from increased business from them.

In 2025, we operated within a relatively stable regulatory and economic environment. Our business continued to grow satisfactorily, and our reputation in the industry continued to grow positively. Despite these achievements, the Board and I recognize that there is need to improve the Bank's performance regarding profitability. The good news is that the Bank's Balance sheet growth is stable and strong to provide a platform to focus on Balance sheet efficiency that will generate the level of profitability we can be proud of.

**Dividend**

Following the financial performance of the Bank in 2025, the Board has recommended a dividend of 11Kobo per share, which implies a total dividend of N4.5Billion. This is an increase of 80% from the total dividend of N2.5Billion paid in prior year.

**Directors**

There were no changes to the Board composition in 2025. However, as we place greater focus on cybersecurity, based on emerging trends both globally and locally, the Bank is in the final stages of appointing additional two Non-Executive Directors to the Board to further strengthen an already strong and effective team in this area.

**Remuneration**

The Board Governance Committee determines the remuneration policy of the Directors and ensures that remuneration is tied to performance. The committee determines the remuneration to retain and attract the best people for the Bank, while ensuring that the leadership team delivers strategic and financial growth.

**Supporting other stakeholders**

We continue to support other stakeholders such as our colleagues, customers and communities. In 2025, we provided over N2.3Billion in donations to various organizations working to uplift people in less privileged communities.

For our colleagues, we put a strong focus on remuneration, ensuring that they earn way above the impact of inflation. We know we are achieving our targets because our employees have consistently voted for us as a Great place to work. In 2025, we emerged as a Great place to work and as the 2nd highest Great place to work in the Nigerian Banking sector.

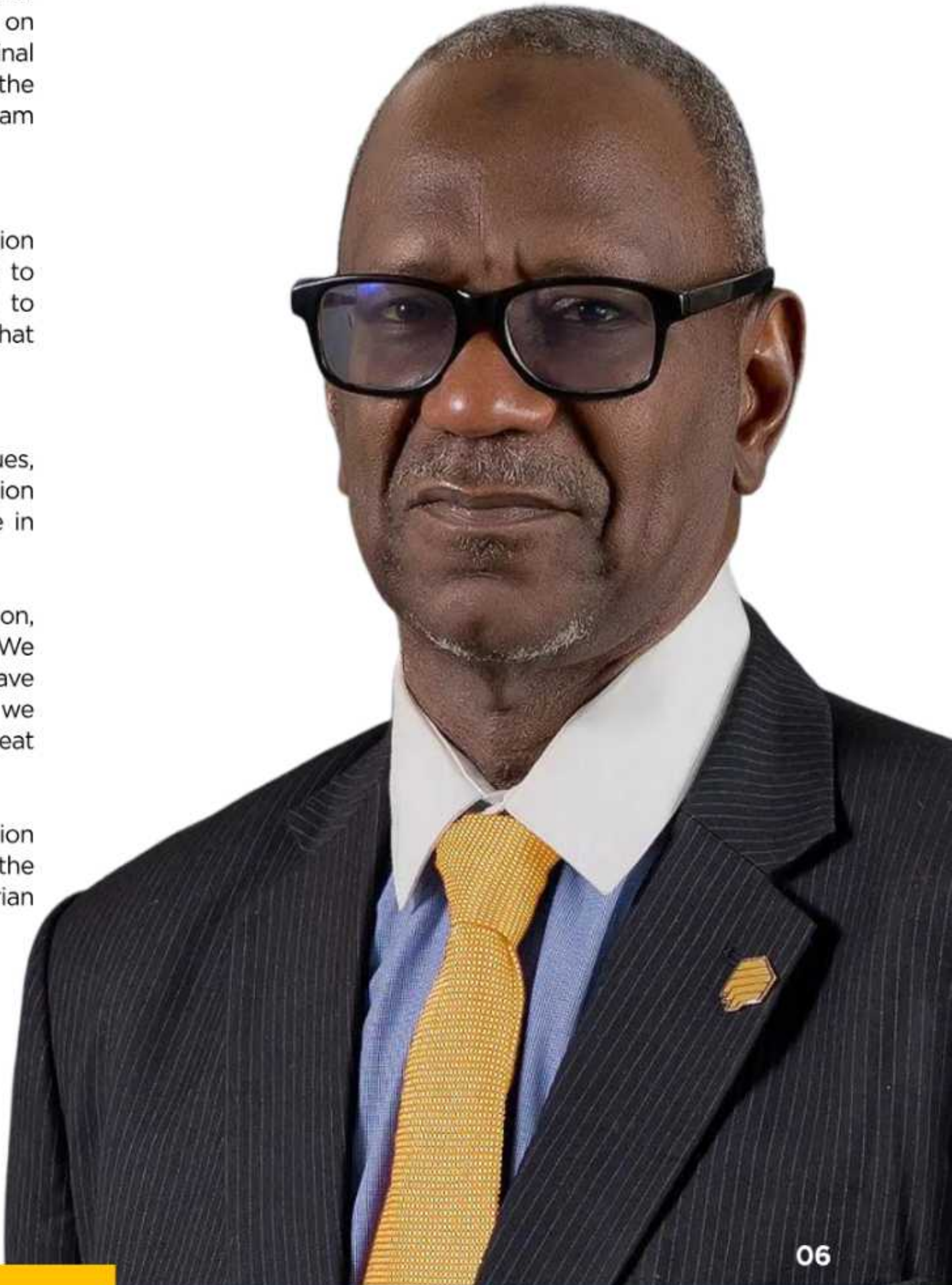
In supporting our customers in 2025, we provided over N358Billion in loans to various businesses across over twenty sectors of the economy. We are contributing to the growth of the Nigerian economy and reducing unemployment rate.

**Conclusion**

I am optimistic that the Bank is making progress and positioning itself for improved profitability. I am particularly confident in the ability of the Board and the Management in the execution of our strategy.

I wish to thank my Board colleagues for their support and dedication to the progress of the Bank. I also wish to thank our colleagues who work so hard to ensure the continuing growth of the Bank.

I look forward to discussing the Bank's progress further during the AGM in June.



**Alhaji Hussaini Dikko**  
Board Chairman



# CEO's Statement

Driving growth through our strong focus on helping our customers achieve their objectives

We made progress in 2025 regarding the implementation of our strategy and in achieving our targets for the growth of our balance sheet. The growth in our balance sheet size was driven by our strong focus on helping our customers achieve their objectives.

We achieved a significant number of our financial targets for 2025. Our profit before tax (excluding the impact of unrealized foreign exchange loss/gain) was N35.55Billion compared to N10.48Billion in 2024 representing a profit growth of N25 Billion. Our total assets grew from N2.56Trillion in 2024 to N4.03Trillion in 2025, representing a growth of 57%. Our tier 1 capital adequacy ratio closed at 10.85% and our liquidity ratio was 78% as at 31 December 2025.

However, our profitability ratios such as our Net Interest Margin (NIM) ratio and cost-to-income ratio need improvement so we can deliver higher levels of profitability. There are opportunities for us to extract efficiencies within our balance sheet to improve on our profitability ratios. When we do this, we will significantly improve our financial performance. I assure you that the management team and I are strongly focused on these areas of improvement, and I am optimistic that we will begin to declare significant level of profits expected of our balance sheet size from 2026.

We continue to improve on our dividend distributions to shareholders. We proposed a dividend of N4.5Billion for 2025, which represented an 80% increase over prior year's dividend of N2.5Billion. We are committed to ensuring improved distributions to our shareholders in appreciation of the support they have provided to the Bank over the years.

The economy was relatively stable in 2025 but the geopolitical conflicts in the middle east and the US-Iran war have the potential to drive inflation up and increase interest rates despite the monetary policy direction of the Central Bank of Nigeria aimed at lowering interest rates. We have considered all possible scenarios for 2026 and have set for ourselves a high but achievable target to grow our profit before tax in 2026 by at least 100% of our 2025 achievement.

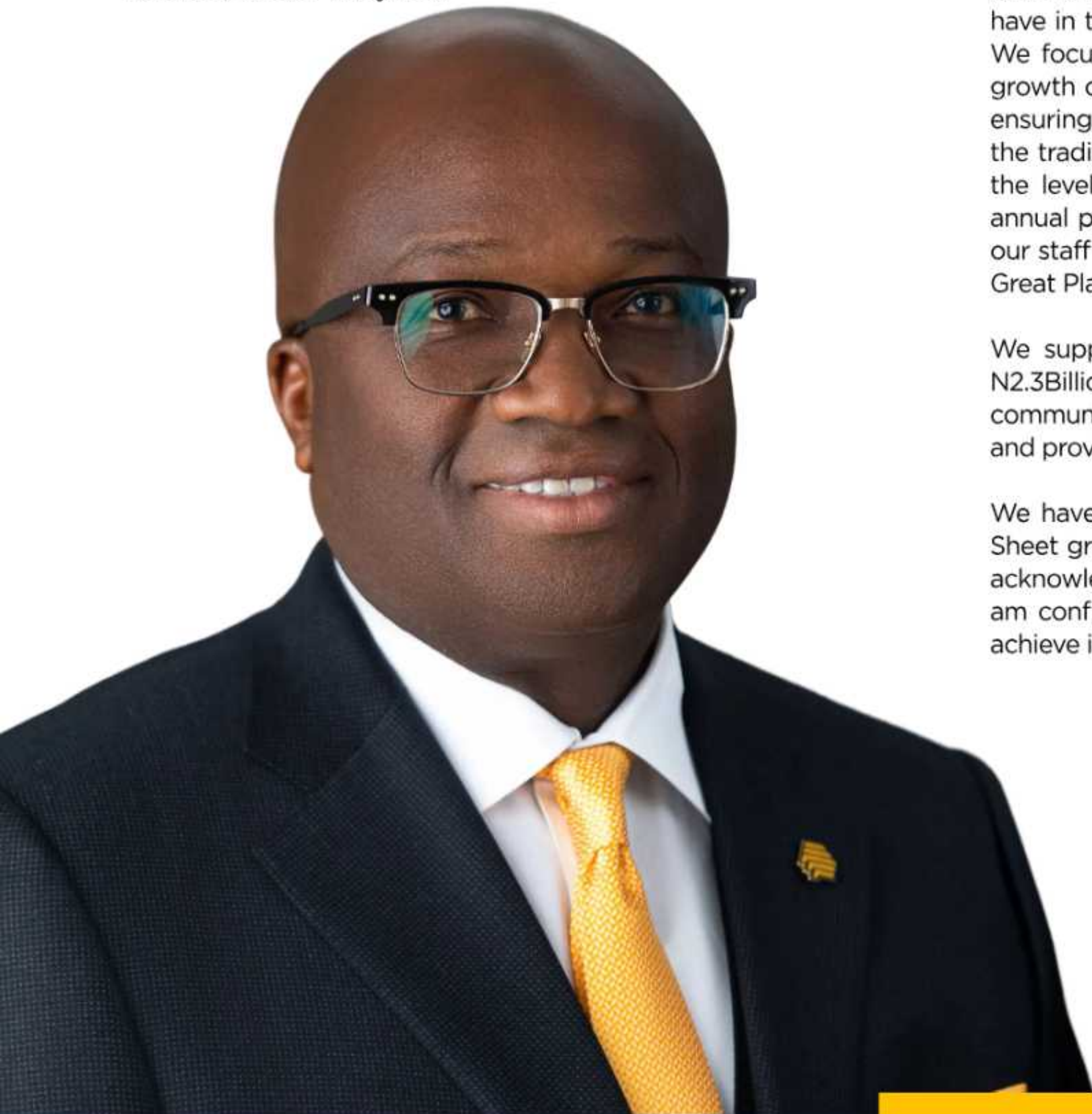
In 2025, we contributed to the growth of the economy. As part of our ambition to be a leading bank in SME banking, we granted over N358 Billion in loans to SMEs across sectors such as real estate, general commerce, trading and so on. We are helping a number of businesses scale up into their next growth phase.

We are making progress with our strategic ambition to be a leading bank in customer service. The Bank retains the services of a professional firm to conduct independent surveys of our customers and to provide a basis for our evaluation of our performance regarding customer service. With regards to customer service, we obtained a net promoter score of 76% in 2025 compared to 68% in 2024. We are aware of the areas we can do much more and we have put a plan in place to address these areas in 2026 and beyond.

Our staff have played the most significant role in growing our customer base and our Balance Sheet size. Our colleagues believe in our purpose to help our customers grow and to focus on helping our customers achieve their objectives. This relentless focus and genuine commitment to the growth of our customers have in turn created customer loyalty that is fueling our growth. We focus on ensuring that our staff who give so much to the growth of the Bank are adequately compensated. In addition to ensuring remuneration that is way above inflation, we continue the tradition of paying annual bonus this year. One indication of the level of staff satisfaction is the score we obtain from our annual participation in the Great Place to Work survey. In 2025, our staff scored the Bank an industry leading score of 91% in the Great Place to work survey.

We supported less privileged communities by providing over N2.3Billion cash donations to credible organizations involved in community projects to provide clean water, eradicate diseases and provide primary healthcare.

We have made significant progress, particularly in our Balance Sheet growth, customer satisfaction and operational efficiency. I acknowledge that we need to improve on our profitability and I am confident that we have built a foundation that can help us achieve improved profitability from 2026.



**Walter Akpani**  
Managing Director /  
Chief Executive Officer



# Report Of The Directors

## For the financial year ended 31 December 2025

The Directors of Providus Bank Limited ("the Bank") hereby present their report on the affairs of the Bank, its audited financial statements and the auditor's report for the year ended 31 December 2025.

### Legal form and principal activity

Providus Bank Limited was licenced by the Central Bank of Nigeria in May 2016 as a commercial bank with regional authorisation.

The Bank is engaged in commercial and retail banking, and provides a range of banking products and services to its customers. These include payments, collections, cards, trade, lending, treasury, and investment services.

### Operating results

|                              | 2025 (₦'000) | 2024 (₦'000) |
|------------------------------|--------------|--------------|
| Gross earnings               | 401,575,980  | 269,154,545  |
| Profit before income tax     | 26,009,807   | 40,618,943   |
| Income tax (charge) / credit | (6,798,402)  | (7,581,797)  |
| Profit for the year          | 19,211,405   | 33,037,146   |

Gross earnings relates to interest income calculated using effective interest rate, fee and commission income, net trading gains and other operating income.

The Bank has proposed to pay dividend of N4.5 billion for the reporting period (2024: ₦2 billion). Dividend proposed in 2024 was declared and paid during 2025 financial year.

### Directors and their interest

The Bank's directors and their direct holdings in issued share capital of the Bank is disclosed below:

| NAME                      | DIRECT HOLDINGS<br>31 DECEMBER 2025<br>SHARES AT 50K EACH | DIRECT HOLDINGS<br>31 DECEMBER 2024<br>SHARES AT 50K EACH |
|---------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Mr. Akpani Walter         | 1,887,353,334                                             | 1,887,353,334                                             |
| Mr. Kingsley Aigbokhaevbo | 1,500,000,000                                             | 1,500,000,000                                             |
| Mr. Maurice Onokwai       | 21,000,000                                                | 21,000,000                                                |



The distribution of the Bank’s issued shares as at 31 December 2025 is as follows:

| SHARE OWNERSHIP RANGE          | NUM OF SHAREHOLDERS | % OF SHAREHOLDERS | NUM OF HOLDINGS | % HOLDINGS |
|--------------------------------|---------------------|-------------------|-----------------|------------|
| 100,000 - 50,000,000           | 13                  | 27.66%            | 143,094,166     | 0.34%      |
| 50,000,001 - 1,000,000,000     | 20                  | 42.55%            | 6,128,145,366   | 14.66%     |
| 1,000,000,001 - 20,000,000,000 | 14                  | 29.79%            | 35,534,594,218  | 85.00%     |
| Grand Total                    | 47                  | 100.00%           | 41,805,833,750  | 100.00%    |

Substantial shareholdings

Based on the shareholders’ register as at 31 December 2025, no shareholder held greater than 5% of the Bank’s issued shares except for the following:

| SHAREHOLDER                        | NUMBER OF SHARES HELD | % SHAREHOLDING |
|------------------------------------|-----------------------|----------------|
| Northwest Petroleum & Gas Limited  | 10,030,000,004        | 23.99%         |
| Vetiva Capital Management Limited. | 3,456,224,000         | 8.27%          |
| Maria Katrina Investment Ltd       | 3,091,749,804         | 7.40%          |
| Rosa Mystica Energy Fze            | 3,137,254,902         | 7.50%          |

Director’s remuneration

Remuneration to directors, in compliance with section 26.1 (a)iii of the CBN Corporate Governance Guidelines is disclosed below:

| RENUMERATION CLASS | DESCRIPTION                                                                                                                                                                 | TIMING                                                   |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Basic Salary       | A competitive level of pay reflecting the level of current & potential value to the Bank and its stakeholders.<br>Non-Executive directors are not paid basic salary         | Paid monthly                                             |
| 13th Month Salary  | A competitive level of pay reflecting the level of current & potential value to the Bank and its stakeholders.<br>Non-Executive directors are not paid 13th month salaries. | Paid Annually (Last month of the financial year)         |
| Director’s fees    | Annual payments made to Non-executive directors only at the annual general meeting.                                                                                         | Paid Annually (on the day of the Annual General Meeting) |
| Sitting allowances | Allowances paid to Non-executive directors only for attending board and board committee meetings.                                                                           | Paid after each meeting                                  |



Events after the reporting period

There were no events after the reporting date which could have a material effect on the profit for the year end and state of affairs of the Bank as at 31 December 2025 that have not been taken account of in these financial statements.

Donations & Charitable gifts

The Bank donated a total of ₦2.39 billion (2024: ₦2.03 billion) during the year as categorised below:

| Sector                               | Amount(₦)     |
|--------------------------------------|---------------|
| Community Development                | 59,425,000    |
| Sponsorship                          | 2,034,744,007 |
| Other donations and charitable gifts | 302,924,864   |
| Total                                | 2,397,093,871 |

Property and Equipment

Movements in property and equipment during the period are shown in note 24 of the financial statements. In the opinion of the Directors, the recoverable value of the Bank’s property and equipment is not less than the value shown in the financial statements.

Auditors

The auditors, PricewaterhouseCoopers have indicated their interest to continue in office and will do so pursuant to section 401(2) of the Companies and Allied Matters Act (CAMA),2020.

Human Resource Policy

Recruitment Philosophy

The Bank’s recruitment philosophy seeks to engage those who are suitably qualified for employment at various levels as well as those who can find job satisfaction in the Bank. All vacant positions are advertised internally and/or externally. Applications received are treated in accordance with the provision set out in the approved recruitment process. All regulatory confirmation of top management appointments are also duly implemented.

Employee training & development

The Bank ensures there is adequate training at all levels in the Bank. Providus Bank training strategy incorporates the delivery of appropriate training to staff in line with the Bank’s strategic direction and outcome of the appraisal process. In addition to the above, the Bank develops a training plan and utilizes a formalized training system to cater for the training needs of every function and grade. Basic training is provided for all employees irrespective of their functional responsibilities to develop business and management skills.



Health, Safety and Security

The Bank regards the promotion of workplace safety, hygiene and security within its business as an essential part of responsibilities along with its staff members. It is the Bank’s policy to do all that is reasonably practicable to prevent personal injury and damage of property and to protect all staff from foreseeable work hazards, including the public in so far as they come in contact with the Bank. In addition, the Bank provides integrated safety and job training for all employees and additional safety and security training, where appropriate.

As part of its commitment to the promotion of health and safety, at work, the Bank undertakes the following measures:

- Provision of fundamental safety gadgets and standard protective apparel
- Provision of standard work tools, materials and equipment
- Provision of fire preventing/ fighting equipment

The Bank requires all staff to be safety conscious as well as observe all safety rules and regulations.

Gender analysis

Analysis of total employees as at 31 December 2025

|               | NUMBER |        | PERCENTAGE |        |
|---------------|--------|--------|------------|--------|
|               | MALE   | FEMALE | MALE       | FEMALE |
| Full staff    | 570    | 713    | 44%        | 56%    |
| Support staff | 135    | 253    | 35%        | 65%    |
|               | 705    | 966    | 42%        | 58%    |

Analysis of board and top management staff

|                                                      | NUMBER |        | PERCENTAGE |        |
|------------------------------------------------------|--------|--------|------------|--------|
|                                                      | MALE   | FEMALE | MALE       | FEMALE |
| Board Member (Executive and Non Executive Directors) | 8      | 2      | 80%        | 20%    |
| Top Management Staff (AGM-GM)                        | 10     | 13     | 43%        | 57%    |
|                                                      | 18     | 15     | 55%        | 45%    |

Further analysis of board and top management staff by gender

|                           | NUMBER |        | PERCENTAGE |        |
|---------------------------|--------|--------|------------|--------|
|                           | MALE   | FEMALE | MALE       | FEMALE |
| Assistant General Manager | 2      | 6      | 25%        | 75%    |
| Deputy General Manager    | 6      | 3      | 67%        | 33%    |
| General Manager           | 2      | 4      | 33%        | 67%    |
| Executive Directors       | 2      | -      | 100%       | 0%     |
| Managing Director/CEO     | 1      | -      | 100%       | 0%     |
| Non-Executive Directors   | 4      | 2      | 67%        | 33%    |
|                           | 17     | 15     | 53%        | 47%    |

BY ORDER OF THE BOARD  
  
Mr Chidoke Agu  
Ag. Company Secretary  
114 Adeola Odeku Street, Victoria Island, Lagos.  
FRC/2022/PRO/NBA/002/232169  
12 March 2026



# Statement Of Director's Responsibilities

The Companies and Allied Matters Act (CAMA), 2020 and the Banks and Other Financial Institutions Act (BOFIA), 2020 require the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Bank at the end of the year and of its profit or loss. The responsibilities include:

- (a) Ensuring that the Bank keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Banks and Other Financial Institutions Act (BOFIA), 2020; IFRS Accounting Standards, Financial Reporting Council of Nigeria and relevant CBN guidelines and **circulars**.
- (b) Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- (c) Preparing the Bank's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

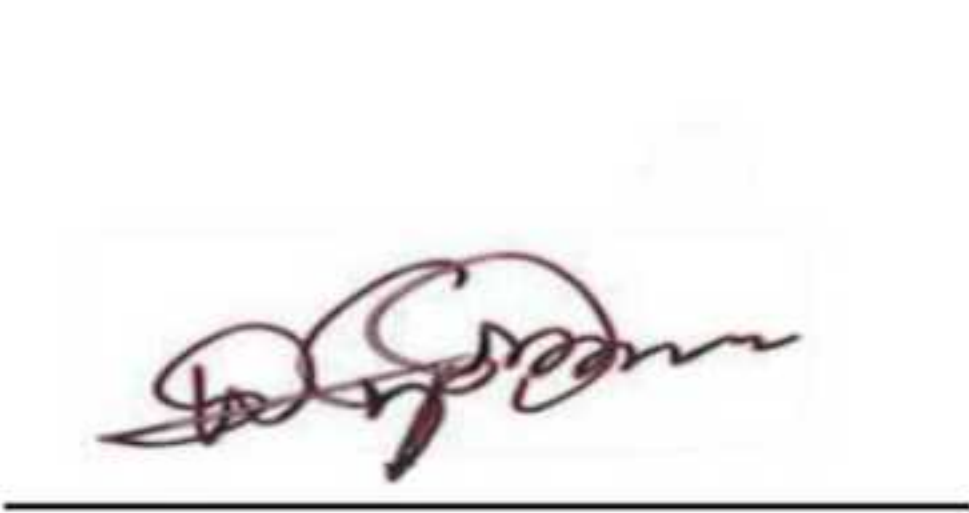
The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria.

The directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least twelve months from the date of this statement



**Kingsley Aigbokhaevbo**  
Deputy Managing Director  
12 March 2026  
FRC/2016/PRO/DIR/003/00000014357



**Walter Akpani**  
Managing Director/Chief Executive Officer  
12 March 2026  
FRC/2013/PRO/DIR/003/00000005007



# Statement of Corporate Responsibility

In line with the provision of Section 405 of Companies and Allied Matter Act 2020, we have reviewed the audited financial statements of the Bank for the year ended December 31, 2025 and confirm as follows:

- (I) The audited financial statements do not contain any untrue statement of material fact or omission 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 Bank as of and for the year ended December 31, 2025.
- (III) The Bank's internal controls have been designed to ensure that all material information relating to the bank and its subsidiaries is received and provided to the Auditors in the course of the audit
- (IV) The Bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2025.
- (V) That we have disclosed to the Bank's Auditors and the Audit Committee the following information:
  - There are no significant deficiencies in the design or operation of the Bank's internal controls which could adversely affect the bank's ability to record, process, summarise and report financial data, and have discussed with the auditors any weaknesses in internal controls observed in the cause of the Audit.
  - There is no fraud involving management or other employees which could have any significant role in the Bank's internal control.
- (VI) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



**Adeoye Ojuroye**  
Executive Director/ Chief Financial Officer  
12 March 2026  
FRC/2016/PRO/ICAN/001/00000014356



**Walter Akpani**  
Managing Director/Chief Executive Officer  
12 March 2026  
FRC/2013/PRO/DIR/003/00000005007



# Corporate Governance Report





# Corporate Governance Report

## Board of Directors

The Board of Directors (the Board) is accountable and responsible for the performance and affairs of the Company. Directors have a duty of care and loyalty to act in the interest of the company’s stakeholders. The Board is the highest governing body in Providus Bank and therefore reports to the shareholders.

The Board is committed to the highest standard of business integrity and ethical values and recognizes the duty of the company to conduct its affairs in the most prudent, fair, and accountable manner with a view to safeguarding the interest of shareholders.

In the board exist a right balance of expertise, skills, and experience and this accounts for the effectiveness of the board and the executive management team. The board has put in place a robust appointment and succession framework to ensure that the company has the right people to drive the business of the company at any point in time.

To aid its effectiveness in carrying out its oversight responsibilities, the Board has six Committees, namely: the Board Audit Committee, Board Credit Committee, Board Finance and General-Purpose Committee, Board Governance, Nomination & Remuneration Committee, Board Cybersecurity Committee and Board Risk Management Committee

Members of the Board of directors are seasoned professionals drawn from various sectors including banking, law, accounting/finance, and corporate strategy. The membership of the Board of Directors comprises three (3) Executive Directors, two (2) independent directors, and five (5) Non- Executive Directors.

The Board of directors must meet at least once every quarter. Decisions are arrived at by way of resolutions, which may be a form of written resolution (in accordance with the Company’s Article of Association) in some instances. The Board of Directors met six (6) times during the year ended December 31, 2025.

## Responsibilities of the Board

The Board of directors has the primary responsibility of determining the strategic objectives and policies of the company. However, the day-to-day management of the affairs of the company has been delegated to the executive management.

The Board has the key responsibility of providing oversight for the Bank’s management on behalf of the shareholders. All major decisions are considered by the Board as a whole. However, certain powers are exclusively reserved for the Board, and they include approval of the quarterly, half year and full-year financial statements (whether audited or not), significant changes in accounting policies and/or practices, major changes to the corporate structure, capital structure, policies for all business areas, etc.

## Directors Nomination / Appointment Process

Providus Bank’s Board is composed of qualified persons of proven integrity, highly competent, and knowledgeable in business and financial matters in accordance with the extant CBN Guidelines for Fit and Proper Persons.

Candidates for the Board are selected by the Board Governance Committee, and recommended to the full Board for approval, in accordance with guidelines approved by the Board. The selection takes into consideration the overall composition and desired diversity of the Board in terms of the areas of expertise that each Board member can offer.

The track record of the appointees is always an eligibility requirement. The assessment for selection cover areas such as integrity, knowledge of business and financial matters, and past performance in accordance with the extant CBN guidelines on the Fit and Proper Persons Regime.



# Corporate Governance Report

There are established criteria as specified in the Company’s Corporate Governance Framework & Policy for the selection/appointment of any category of director, be it executive or non-executive director.

## Induction and Continuous Training

The Company ensures that all its directors are provided with the requisite training, exposure, and skill that will enhance the effectiveness of their oversight role and the effectiveness of the Board as a whole.

By way of induction, new Directors are provided with an extensive package of materials relating to the Company, its operations, and the Board together with a meeting with the Chairman of the Board and/or Executive Management. The Induction program will vary depending on the background, experience, and expertise of the new Director(s), but will generally include presentations to familiarize the director with the Company’s strategic plans, and its significant financial/accounting and operational issues among other issues.

The Company Secretary has the responsibility to organize and implement the Induction program for new directors within 90 days of the confirmation of appointment.

As part of the process of ensuring that the Company directors are up to date with industry and business-specific issues, an annual retreat is organized for the Board. The retreat focuses on presentations on a wide range of subjects related to the business environment, the company’s strategies and/or operations, and an insight into the ‘way forward’. The training is done by both external consultants and the relevant internal personnel.

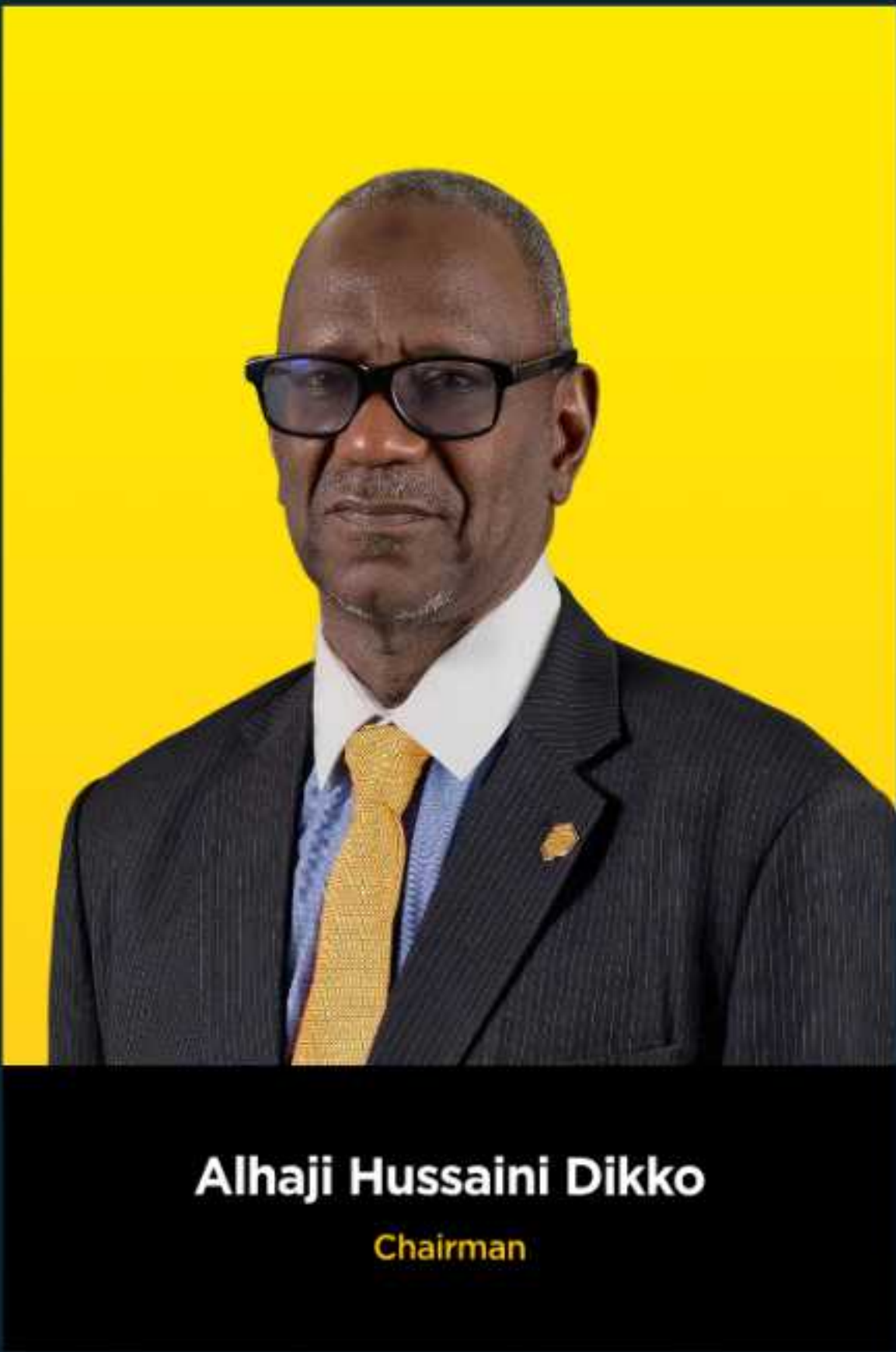
In addition, Directors are also encouraged to attend formal educational/training programs sponsored by external organizations as it relates to each specific director’s core focus area on the Board.

## Members of the Board of Directors

| Name                          | Capacity                                     | Date of Appointment |
|-------------------------------|----------------------------------------------|---------------------|
| Mallam Husiani Dikko          | Chairman                                     | May, 2016           |
| Mr. Walter Akpani             | Managing Director/ Chief Executive Officer   | May, 2016           |
| Mr. Kingsley Aigbokhaevbo     | Executive Director/ Deputy Managing Director | May, 2016           |
| Mr. Chuka Eseka               | Non-Executive Director                       | May, 2016           |
| Mr. Maurice Onokwai           | Non-Executive Director                       | May, 2016           |
| Mr. Funmi Augusto             | Non-Executive Director                       | May, 2016           |
| Mrs. Bernadine Okeke          | Non-Executive Director (Independent)         | Mar, 2018           |
| Dr. (Mrs.) Diei Belinda Bobby | Non-Executive Director (Independent)         | Aug, 2021           |
| Mr. Adeoye Ojuroye            | Executive Director/ Chief Financial Officer  | Dec, 2022           |
| Mr. Mahmud Tukur              | Non-Executive Director                       | July, 2024          |



## Profile of the Directors



Alhaji Hussaini Dikko is a graduate of Quantity Surveying from Ahmadu Bello University, Zaria, and a master's degree holder in Business Administration from the University of Lagos. He is a Fellow of the Nigerian Institute of Quantity Surveyors and the institute's president in the year 2000.

He has been at different times, a Member of the Nigeria Institute of Quantity Surveyors Examination Board (1995), Second Vice President of the Nigeria Institute of Quantity Surveyors (1996), Chairman, of the National Strategic Grains Reserve Contract Evaluation Panel (2001), Director, Continental Trust Bank Limited (2003), Member, Governing Board, Abuja Multi-Door Court House (2004), Member, FCT Satellite Town Development Agency Task Force (2005), Member Technical Committee, Sale of Federal Government Houses in Abuja.

Alhaji Dikko is currently the Executive Chairman of El-Rufai & Partners Limited.



Walter Akpani is a seasoned banker with over two decades experience. He holds a Master of Science degree in Finance from the University of Strathclyde, Scotland.

His career trajectory has been through Natwest Bank UK, ICON Merchant Bank/ICON Stockbrokers, Commercial Trust Bank, Standard Trust Bank Plc, and Platinum Bank Limited. Walter has been actively involved in bank start ups in Nigeria. He was a pioneer staff member with ICON Stockbrokers, a restructuring team member at Commercial Trust Bank, a pioneer staff at Standard Trust Bank Plc now United Bank for Africa, UBA, and a pioneer staff at Platinum Bank Ltd.

He is a distinguished Treasurer in the Nigerian banking industry, having led the Treasury departments of ICON Stockbrokers and Commercial Trust Bank. He also served as Group Head of, the Financial Institutions department at Standard Trust Bank and Group Head, Investment Banking at Platinum Bank Limited.

Walter disengaged from Platinum Bank Ltd, as Vice President, Institutional Banking, to start United Mortgage Bank Limited which has now metamorphosed into ProvidusBank. A change agent with very strong interpersonal skills and industry depth, Walter Akpani is well respected within and outside the industry and has been able to build up an effective network of contacts and associates in most strategic sectors of the Nigerian economy.

Walter plays tennis and is actively involved in the development of youth tennis in Nigeria





**Mr. Kingsley Aigbokhaevbo**  
Executive Director

Kingsley Aigbokhaevbo is a Fellow of the Institute of Chartered Accountants of Nigeria, ICAN. He holds a B.Sc. (Honours) degree in Agricultural Economics, graduating with a second-class upper division, from the University of Ibadan and a Master in Banking and Finance (MBF) from the University of Lagos. Kingsley has over two decades of banking experience with over 10 years at senior management positions. His banking career includes key positions in Internal Control and Audit, Corporate Banking, and Marketing.

He started his banking profession in Zenith Bank Plc, where he spent the bulk of his career. He rose to the position of General Manager/ Group Zonal Head, Victoria Island Annex Zone, with responsibilities for driving business initiatives. He left Zenith Bank Plc. in 2007 and joined United Bank for Africa Plc as General Manager. He held two positions namely, Regional Head, Island Bank, and Ikeja Bank with responsibilities to also drive business growth. In 2011, he joined Ecobank Nigeria Limited as an Executive Director. His responsibilities were to oversee the Bank’s Domestic Banking operations in the Lagos and West Region. He left Ecobank in August 2015 to join ProvidusBank.

As Executive Director, ProvidusBank, he superintends Business Banking, Banking services as well as Digital Banking optimization. Kingsley has a very active interest in tennis and wine tasting.



**Mr. Chuka Eseka**  
Non-Executive Director

Chuka Eseka is an investment banker with a vast experience covering merchant and investment banking activities. A graduate of Accountancy from the University of Lagos, he is a Chartered Accountant and a Fellow of the Chartered Institute of Stockbrokers of Nigeria.

Presently the Managing Director/CEO of Vetiva Capital Management Limited, he is especially formidable in deal origination, structuring, and execution, having been involved in numerous landmark transactions in the financial services and real sectors of the Nigerian economy.

Chuka is regarded as one of the foremost investment bankers in Nigeria and has successfully managed the emergence of Vetiva into one of the most respected, innovative, and efficient investment banking firms in Nigeria.





**Mr. Maurice Onokwa**  
Non-Executive Director

An experienced solicitor, he holds an LL.B degree from the University of Jos, and a master’s degree in International and Comparative Business Law from London Guildhall University. Maurice Onokwai specializes in Conveyance mortgages (Residential and Commercial), Company Law, and Litigation.

From 1991 to 2000, he was a partner with Shillingford Partners, conducting matters on behalf of clients and supervising all members of staff and briefs. Maurice moved to Greenland Solicitors in 2001, where he has been a Principal Partner and Head of Department till date. He is widely respected for excellent leadership and interpersonal skills.



**Mr. Funmi Augusto**  
Non-Executive Director

Obafunmilayo (Funmi) Augusto started his career at Arthur Andersen (now KPMG Professional Services) where he worked for 8 years before leaving for IBFC Limited, a Business and Financial Consultancy firm, which he co-founded. Funmi was later appointed the Managing Director of IBFC Limited.

In 1999, IBFC Limited transformed into Alliance Consulting following its merger with the business consulting department of Augusto & Co. Limited in order to deepen the company’s activities in financial consulting/advisory services, strategy and process consulting, human resource consulting, solicited market, investment research and risk management consulting services.

Funmi is presently the Managing Director of IBFCAlliance Limited. He facilitates training programs in the areas of financial analysis, stock market analysis, asset and liability management, country risk analysis, credit analysis/risk management, and investment analysis/appraisal.





**Mrs. Bernadine Okeke**  
Independent Non-Executive Director

Bernadine Okeke holds a B.Sc. Accounting degree from Hampton University, Virginia, USA. She also holds an MBA (finance) from Suffolk University Boston, Massachusetts, USA.

She was a former Executive Vice-President and Head, Private Banking at First Bank of Nigeria from where she retired in 2015. Before joining First Bank, she had amassed a wealth of experience in banking from working at the Bank of New England, USA, Savannah Bank, Nigerian-American Merchant Bank, and Victory Merchant Bank in Nigeria. While heading the private banking division, she was in charge of providing premium banking services to high-net worth clients on investment and asset management, trust and estate planning, as well as personal banking. She is currently Executive Director, Business Development with Cardinal Developers. Her responsibility at Cardinal Developers includes developing banking business projects in hospitality, multi-family dwellings, and power. Bernadine combines her creative thinking and strategic business planning capabilities to create sustainable success for new businesses.



**Dr. (Mrs.) Diei Bobby Belinda**  
Independent Non-Executive Director

Dr. (Dame) Belinda Bobby Diei Is widely acknowledged and recognised as a legal luminary, having held prestigious positions within and outside Nigeria, after being called to the Nigeria Bar in 1982.

Dr. Diei was the National Publicity Secretary/Editor, National Secretary of the International Federation of the Women Lawyer (FIDA) and later became the first Vice-president of FIDA (World Wide).

Dr. Diei was a Board Director of the Imo State Tourism Board and Oguta Lakes Motels. She was the first female Chairman/Presiding Judge of the industrial Arbitration Panel, a Federal Government Court established in 1976 with the responsibilities of handle industrial disputes. She represented Nigeria at the Resolutions Committee of the International Labour Organisation (ILO) in Switzerland and was also a member of the Standards Committee of the ILO. She is the Founder and Executive Director of the Women Justice program (WJP), an NGO accredited to the United Nations and holds an observer status at the African Commission on Human and Peoples Rights. She is the Editor-in-Chief of the Women’s Rights Monitor. She was a member of the Presidential “Think Tank” for former President Goodluck Ebele Jonathan. Member of the First Lady’s Committee for former First Lady, Justice Fati Abubakar.

Dr. Diei belongs to many professional and non-professional groups. She is a member of the Nigerian Bar Association and the International Bar Association to mention a few. She has received many awards including -- “The Igbo Icon”, “Who is Who in Nigeria” amongst many others. In recognition of her excellence and contribution to the progress of her Community, She was made the first female High Chief of her Town with the of Title of “Lord Emerald”.





Deoye is an ICAN and ACCA-qualified finance professional, holds a B.Sc. in Computer Science from the University of Lagos and an MBA from the Judge Business School, University of Cambridge, United Kingdom.

He has over two decades of experience in financial services in the United Kingdom and Nigeria, with expertise in retail, commercial and investment banking, insurance, private equity, and equities brokerage.

Before he was appointed as an Executive Director, Deoye was the Chief Financial Officer of the Bank with an additional portfolio to lead business development and formulate corporate strategy.

He joined ProvidusBank in 2015 from PricewaterhouseCoopers, having worked for 8 years in each of the London and Lagos offices of the firm.

At PwC, he had the responsibility of managing the audit engagements of banking, insurance and equities brokerage clients.

Deoye has interests in tennis and organizational behaviour.



Mahmud B. Tukur is a well-travelled, dynamic, and highly motivated C-Suite Executive and Independent Non Executive Director (INED). Mr Tukur Founded Ashgrove Group, leveraging his expertise to drive strategic growth and transformation within diverse industrial and economic sectors in the Oil & Gas, Maritime, and Infrastructure sectors across Nigeria and the West African sub-region.

With over 30 years of experience spanning Energy (Upstream, Downstream, and Oil Services), Maritime, Infrastructure, Technology, and Real Estate sectors, he has successfully led transformational initiatives. His leadership experience includes implementing change management processes, deploying state-of-the-art technologies, and driving business solutions to enhance productivity and maximize stakeholder value.

He became the Youngest CEO of a Publicly Listed Company in Nigeria at 37 when he was appointed to lead Eterna Plc in Nigeria and an experienced INED—including board roles in international jurisdictions—he brings a deep understanding of Corporate Governance, Risk Management, Strategy, Performance Management, and the evolving responsibilities of board members in today’s corporate landscape and is fluent in several languages, including French.



**Board Committees**

The Board carries out its function through its committees, and the various committees of the Board have their defined roles and responsibilities. The Board has six standing committees, namely:

- a. Board Credit Committee
- b. Board Audit Committee
- c. Board Risk Management Committee
- d. Board Governance, Nomination & Remuneration Committee
- e. Board Finance and General-purpose Committee
- f. Board Cybersecurity Committee

The roles, responsibilities, membership, and proceeding at meetings are clearly defined in the respective Committee Charter. The Committees make recommendations to the Board which retains the final decisions. The departmental heads make quarterly presentations to the Committee overseeing their respective departments. Each of the Board committees meet at least once every quarter and on a need basis.

The membership of the different committees is stated below:

**Board Credit Committee**

The membership of the Committee during the year is as follows:

- 1. Mr. Chuka Eseká - Chairman
- 2. Mr. Walter Akpani
- 3. Mr. Kingsley Aigbokhaevbo
- 4. Mr. Funmi Augusto
- 5. Mrs. Bernadine Okeke
- 6. Mr. Maurice Onokwai
- 7. Mr. Adeoye Ojuroye
- 8. Mr Mahmud Tukur

**Board Audit Committee**

The membership of the Committee during the year is as follows:

- 1. Mrs. Bernadine Okeke - Chairman
- 2. Mr. Funmi Augusto
- 3. Mr. Maurice Onokwai
- 4. Dr (Mrs). Belinda Diei
- 5. Mr. Chuka Eseká

**Board Risk management committee**

The membership of the Committee during the year is as follows:

- 1. Mr. Funmi Augusto - Chairman
- 2. Mr. Walter Akpani
- 3. Mr. Kingsley Aigbokhaevbo
- 4. Mr. Chuka Eseká
- 5. Mrs. Bernadine Okeke
- 6. Dr (Mrs). Belinda Diei
- 7. Mr. Adeoye Ojuroye
- 8. Mr Mahmud Tukur



Board Governance, Nomination & Remuneration Committee

The membership of the Committee during the year is as follows:

- 1. Dr (Mrs). Belinda Diei - Chairman
- 2. Mr Bernadine Okeke
- 3. Mr. Maurice Onokwai
- 4. Mr. Chuka Eseka

Board Finance and General Purpose Committee

The membership of the Committee during the year is as follows:

- 1. Mr. Maurice Onokwai - Chairman
- 2. Mr. Walter Akpani
- 3. Mr. Kingsley Aigbokhaevbo
- 4. Dr (Mrs). Belinda Diei
- 5. Mr. Funmi Augusto
- 6. Mr. Adeoye Ojuroye
- 7. Mr Mahmud Tukur

Board Cybersecurity Committee

- 1. Mahmud Tukur - Chairman
- 2. Mr. Walter Akpani
- 3. Mr. Kingsley Aigbokhaevbo
- 4. Mr. Chuka Eseka
- 5. Mr. Funmi Augusto
- 6. Mrs. Bernadine Okeke
- 7. Mr. Maurice Onokwai
- 8. Dr (Mrs). Belinda Diei
- 9. Mr. Adeoye Ojuroye

Attendance of Board and Board Committee Meetings

The table below shows the frequency of meetings of the Board of directors and Board Committees as well as members’ attendance for the year ended December 31, 2025. The Chairman of the Board of Directors is not a member of any committee and therefore did not attend any meeting of the Board Committees.

| S/N | NAME                  | BOARD (6) | BAC (5) | BCC (13) | BRMC (4) | BGC (4) | BCSC (3) | BFGP (4) |
|-----|-----------------------|-----------|---------|----------|----------|---------|----------|----------|
| 1   | Alhaji Hussaini Dikko | 6         | nil     | nil      | nil      | nil     | nil      | nil      |
| 2   | Walter Akpani         | 6         | nil     | 13       | 4        | nil     | 3        | 4        |
| 3   | Funmi Augusto         | 6         | 5       | 13       | 4        | nil     | 3        | 4        |
| 4   | Chuka Eseka           | 6         | 5       | 13       | 4        | 4       | 3        | nil      |
| 5   | Bernadine Okeke       | 6         | 5       | 13       | 4        | 4       | 3        | nil      |
| 6   | Kingsley Aigbokhaevbo | 6         | nil     | 13       | 4        | nil     | 3        | 4        |
| 7   | Maurice Onokwai       | 6         | 5       | 13       | nil      | 4       | 3        | 4        |
| 8   | Diei Belinda Bobby    | 6         | 5       | nil      | 4        | 4       | 3        | 4        |
| 9   | Adeoye Ojuroye        | 6         | nil     | 13       | 4        | nil     | 3        | 4        |
| 10  | Mahmud Tukur          | 6         | nil     | 13       | 4        | nil     | 3        | 4        |

BAC - Board Audit Committee, BCC - Board Credit Committee, BGC - Board Governance Committee, BFGP - Board Finance and General-purpose Committee, BRMC - Board Risk management Committee, BCSC - Board Cybersecurity Committee



# Sustainability Report & Report on Customer Complaints





# Introduction

Since commencing its operations in 2017, Providus Bank has remained committed to environmental, social and governance sustainability, a principle embedded in its strategy. This commitment is reflected in the Bank’s core values and risk framework, which guide business activities and decision-making. As a responsible lender, Providus Bank recognises the importance of environmental and social considerations to achieving its objectives and proactively manages related risks, finances viable sustainable opportunities, and works to reduce its operational

At ProvidusBank, sustainability is not a separate agenda – it is central to how we define success, create value, and contribute to national development. Our vision is to redefine banking as a catalyst for environmental and social good – one that fuels inclusive prosperity, protects the environment, and secures a thriving future for Nigeria.

Our commitment to sustainable banking, responsible growth, and long-term value creation for our stakeholders has been demonstrated through the underlisted actions and initiatives

- We are signatory to the Women’s Empowerment Principles (WEP) and the Nigerian Sustainable Banking Principles (NSBP).
- We created Nigeria’s first eco-friendly debit card, called the ProvidusEco, which is made from biodegradable materials. For every card issued, a tree is planted.
- We have an Environmental, Social and Governance (ESG) rating of ‘3’ as rated by Agosto & Co. This is an indication that environmental, social and governance issues have a material impact on the Bank’s credit risk.
- We believe in equal opportunity. As a result, our employee gender composition comprises 57% female and 43% male.
- We are committed to ensuring a sustainable environment and improving energy efficiency. One of such is by installing solar mini grids across some of our branches.
- Our lending approval process involves assessing each loan application to ensure compliance with applicable environmental and social laws and regulations at both local and national levels using the Bank’s ESMS Policy.

These initiatives reflect our belief that responsible banking must contribute to shared prosperity and national development. Our journey is ongoing, and while there is more work ahead, our direction is clear. By upholding sustainable banking practices, we are strengthening our resilience and building the foundation for long-term, sustainable growth. Together with our stakeholders, we are shaping a Bank that not only succeeds in today’s world but leads confidently into the future.

Providus Bank provides accessible financial services while ensuring the long-term sustainability of our business environment. We recognize that our primary contribution to economic development lies in rigorous social and environmental risk assessments. By integrating these evaluations into our partnerships with customers and vendors, we foster sustainable relationships and promote ethical business practices.

As a responsible lender, we maintain strict underwriting standards and contractual requirements to prevent the financing of activities that may yield adverse environmental or social consequences.



Some notable projects facilitated by Providus Bank in a bid to ensure positive impact on the environment as well as to complement the United Nations Sustainable Development Goals and the Central Bank of Nigeria’s Nigerian Sustainable Banking principles are as listed below.

- Installation of Solar Streetlight at both a University and Military Base in Delta and several communities Rivers States
- Installation of a Mini grid in Jigawa State.
- Establishment of a CNG retail filling station and a gas delivery pipeline infrastructure in Ogun State
- Installation of Solar panels, Inverter, Lithium-ion batteries at Hotels, Schools, shops and residents in Lagos and other States of the federation.
- Front-End Engineering Design (FEED) as well as Fabrication/Production and Installation of the 10 Mega Watt Power Station scope for the Ibom Integrated City Gate project.

By this, the Bank has aided the adoption of the SDG (Sustainable Development Goal) Goal-7. (Affordable and Clean Energy), Goal-9 (Industry, Innovation, and Infrastructure), Goal-11 (Sustainable Cities and Communities), Goal 13 (Climate Action), Goal-17 (Partnerships to achieve the Goal).

- The execution of several Shoreline protection Projects at Eghoke, Ogheye Dimigun Communities, Warri North L.G.A. and Akakpa-Ajudaibo in Warri South-West L.G.A of Delta State,
- Projects that bother on Thermal Desorption Services: Drilling Waste, Oily Sludge, Oil Contaminated Soil Waste Incineration Services: Hazardous and Chemical Waste, Medical Waste, Asbestos Waste Management: Asbestos Removal, Packaging and Offshore Disposal, Industrial Cleaning & Decontamination Services: Tank & Vessel Cleaning (Including FPSO Desludging), Heat Exchanger Cleaning, Cleaning in the Maritime sector E-Waste Management Services: Bulbs, Electrical and Electronic Equipment, Office, Entertainment, and Telecommunication Equipment, Confidential/ Data Waste Management

By this, the Bank has aided the adoption of the SDG (Sustainable Development Goal) Goal 14. (Life Below Water), Goal 15. (Life on Land), Goal 6: Clean Water and Sanitation.

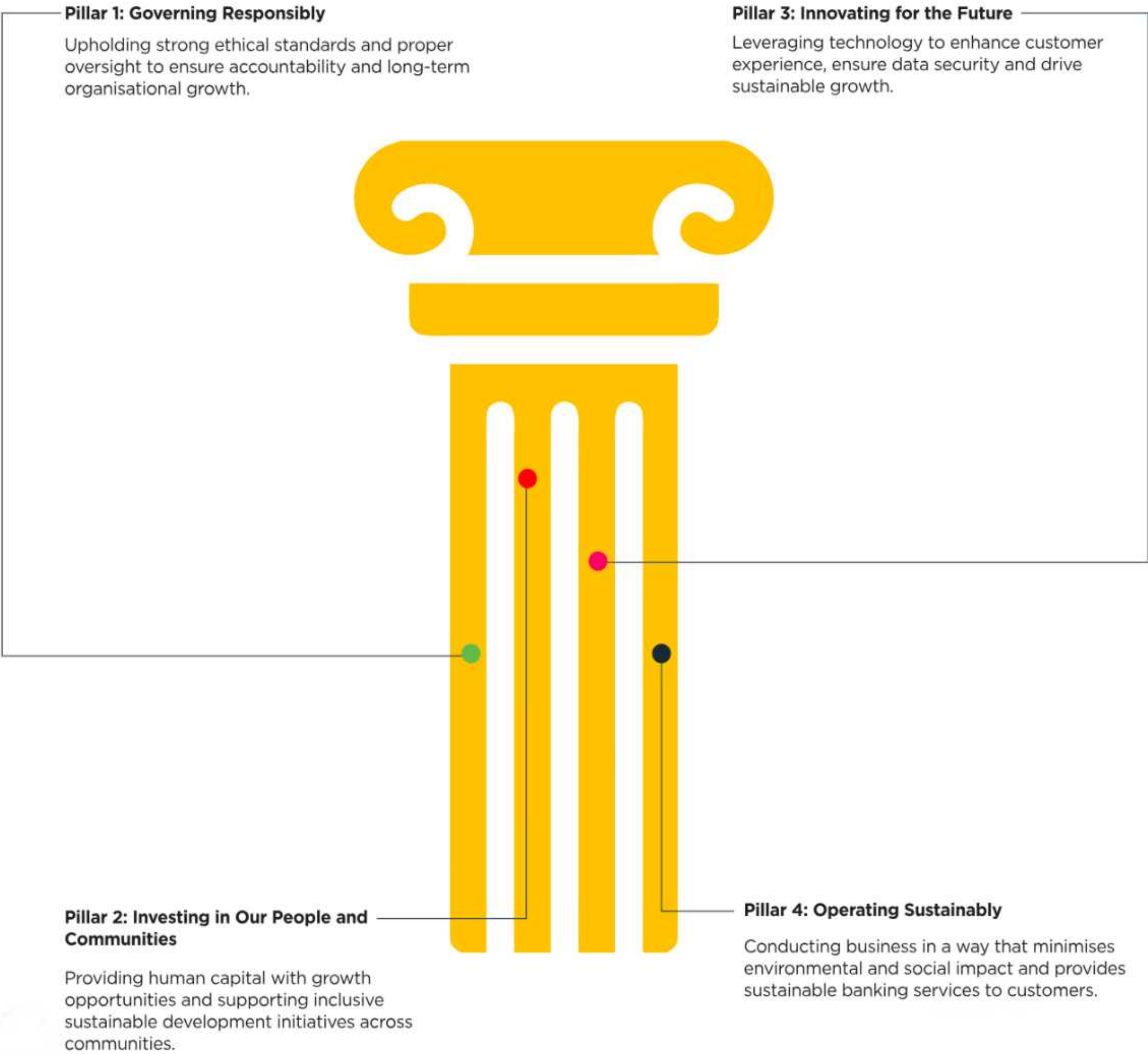
- During the review period, Small and Medium Enterprises (SMEs) accounted for over 60% of total facility disbursements by volume. Notably, 34% of these allocations were directed toward women-owned or controlled businesses. Through strategic partnerships with institutions such as the EDC, LCCI, DBN, and NCIC, Providus Bank continues to prioritize the SME sector as a critical driver of macroeconomic stability. Despite their individual scale, SMEs remain the primary catalysts for innovation, employment generation, and equitable income redistribution.

By this, we aided Women’s Economic Empowerment and Financial Inclusion.



2025 SUSTAINABILITY LANDMARK

The Bank engaged the services of KPMG to review and overhaul the Sustainability Strategy Policy aimed at ensuring robust and up to date sustainability measurement and reporting. The process entailed a sustainability diagnostic assessment, sustainability sensitisation and awareness, materiality assessment and the development of the Bank’s ESG strategy with an implementation roadmap. This gave rise to 4 Sustainability Pillars as seen below;





The 4 pillars are a function of 16 Material topics identified through a process which incorporated insights and feedback from both internal and external stakeholders, ensuring that the perspectives of our employees, investors, regulators, rating agencies, and customers were well represented. The outcome highlights the issues considered most material by each stakeholder group, reflecting their expectations and priorities. The adopted approach reinforces the Bank’s commitment to creating long-term value and remaining the partner of choice for progress across all areas of our operation.

## Material Topics Identified

| S/N | Categories    | Material Topic                                  | Average Weighted Score | Materiality Ranking |
|-----|---------------|-------------------------------------------------|------------------------|---------------------|
| 1   | Governance    | Corporate Governance                            | 98%                    | High                |
| 2   | Social        | Workplace Diversity & Equity                    | 97%                    | High                |
| 3   | Governance    | Regulatory Compliance                           | 96%                    | High                |
| 4   | Governance    | Business Ethics                                 | 95%                    | High                |
| 5   | Social        | Financial Inclusion and Women Empowerment       | 95%                    | High                |
| 6   | Social        | Community Impact                                | 95%                    | High                |
| 7   | Social        | Customer Experience and Service Delivery        | 94%                    | Medium              |
| 8   | Governance    | Business Continuity and Risk Management         | 92%                    | Medium              |
| 9   | Social        | Human Capital Management                        | 91%                    | Medium              |
| 10  | Social        | Digital Transformation                          | 89%                    | Medium              |
| 11  | Governance    | Cyber Security & Data Protection                | 87%                    | Medium              |
| 12  | Economic      | Sustainable Lending and Investing Opportunities | 86%                    | Medium              |
| 13  | Social        | Responsible Procurement Practices               | 86%                    | Medium              |
| 14  | Environmental | Sustainable Resource Management                 | 86%                    | Medium              |
| 15  | Economic      | Sustainable Finance                             | 82%                    | Low                 |
| 16  | Environmental | Climate Change Mitigation and Adaptation        | 80%                    | Low                 |

SDG Alignment

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Our CSR Pillars

Health and Wellness (SDG 3)

Empowering women and girls and achieving gender equality (SDG 5)

Environmental Sustainability (SDG 11, SDG 13)

Quality Education (SDG 4)

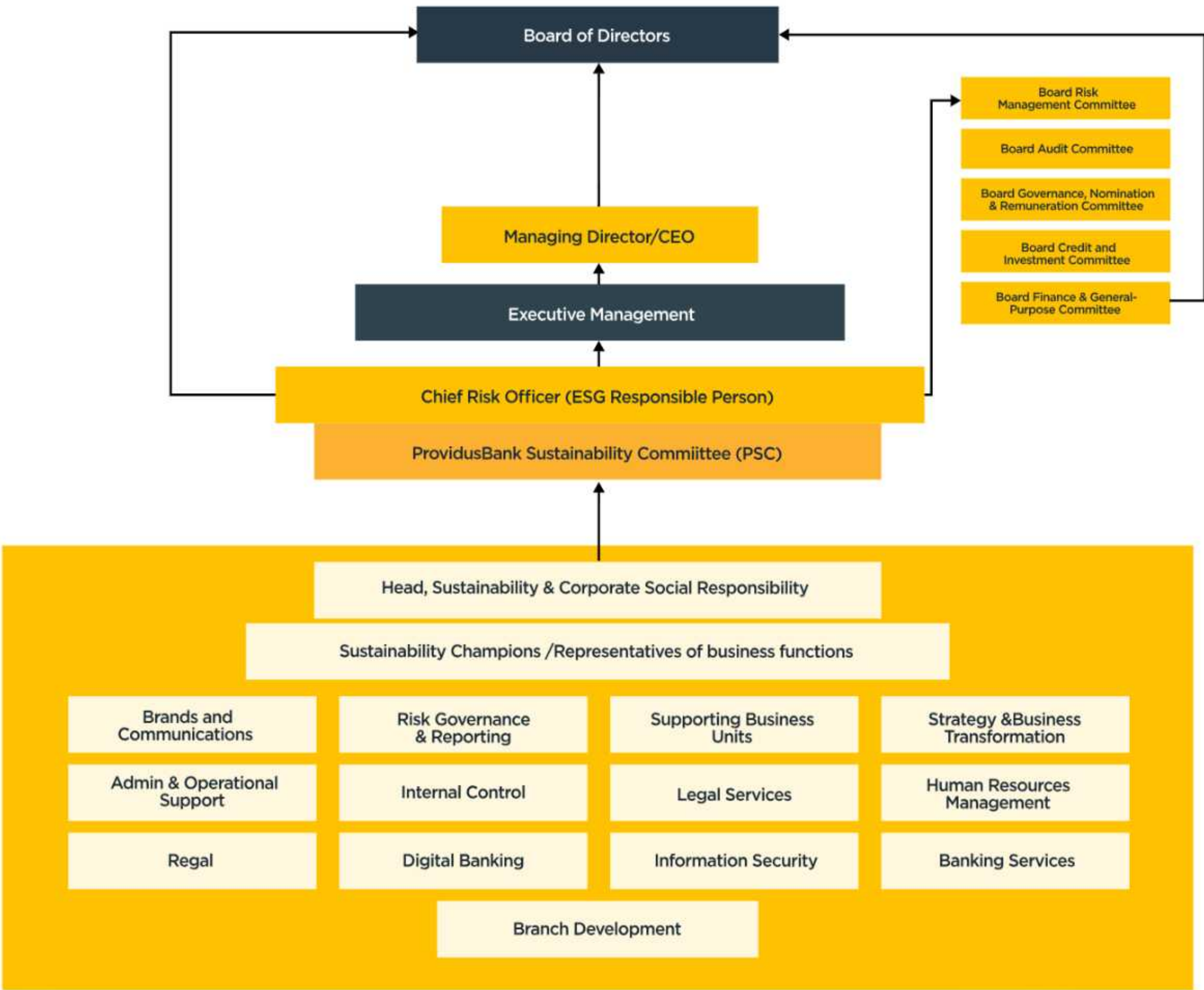
Youth Development (SDG 8,3,4 and NSBP 7)

28



I. Governance structure

In addition to having a robust Board approved policy to guide the Bank's activities in the Social and Environmental Management Systems, a Sustainability Committee was set up which drafted the Sustainability Committee Charter approved by the Board to guide its activities.





**II. Lending process**

As part of our E&S risk processes, each obligor is required to attest to affirmation statement that all its activities shall comply with environmental and social standards. This has been embedded in our facility offer letter. In addition to specific capacity building, the Bank enlisted competent professionals and consultants for the risk assessment for categories A and B projects. This enables us to appreciate at underwriting level, the level of E&S risks inherent in each transaction as well as designing acceptable roadmap for grievance procedures and remediations. Comprehensive Environmental Impact Assessment (EIA) reports are pre-approval requirements in the Bank’s lending process for category A projects.

**2025 Sustainability Performance & Risk Governance**

The Social and Environmental Management System (SEMS)

In 2025, all new credit transactions were subjected to rigorous review under our enhanced Social and Environmental Management System (SEMS). This framework serves as the primary filter through which we identify, analyse, and mitigate potential ESG risks at the earliest stages of the lending lifecycle.

**Strategic Classification and Risk Tiering**

Our Environmental and Social (E&S) assessment protocol is embedded within the customer onboarding process. By utilizing a specialized E&S assessment tool, our underwriters conduct high-level risk screenings to categorize projects based on their potential impact:

- **Category A** (High Impact): Projects with the potential for significant, diverse, or unprecedented adverse environmental and social impacts. These require the highest level of scrutiny and a mandatory, comprehensive Environmental Impact Assessment (EIA) prior to approval.
- **Category B** (Medium Impact): Projects involving site-specific impacts that are largely reversible. These undergo targeted reviews to design effective mitigation and management plans.
- **Category C** (Low Impact): Activities characterized by minimal or no adverse impacts. While streamlined, these projects remain subject to our overarching sustainability standards.

**Specialized Oversight and External Partnerships**

To ensure the integrity of our risk validation process, all assessments are conducted by a dedicated SEMS Officer in close consultation with the Chief Risk Officer (CRO). Recognizing the complexity of Categories A and B projects, the Bank has strategically onboarded a panel of expert Environmental Impact Assessment (EIA) Consultants. This partnership ensures that high-risk transactions are evaluated by independent, competent professionals, allowing the Bank to design robust roadmaps for grievance redress and environmental remediation.

**Strengthening Contractual Compliance**

The Bank has moved beyond policy to active enforcement by embedding E&S accountability into the legal architecture of our lending. Every obligor is now required to execute a formal Affirmation Statement as part of their facility offer letter. This binding commitment ensures that all borrowers remain aligned with national and international environmental and social standards throughout the tenor of the facility.

**Capacity Building and Institutional Readiness**

Beyond screening, we have invested heavily in the "Human Capital" of sustainability. By enlisting specialized professionals to guide our underwriting teams, we have enhanced our internal ability to appreciate inherent risks and design acceptable action plans. This ensures that every transaction—regardless of its complexity— contributes to a resilient and sustainable credit portfolio.



**III. Capacity building and communication**

The Bank has institutionalised Social and Environmental Management System (SEMS) principles through regular capacity building sessions in form of e-learning, seminars in-house training programmes, etc. Through the engagement of KPMG for the Provision of Sustainability Consultancy Services, a Sustainability sensitization and awareness forum was held for all staff through its bank wide Knowledge Sharing Session (KSS)

The Bank consistently holds in-house sessions with different groups to further reiterate the principles of the sustainable banking. This covers Relationship Management, Risk Management, Brands & Communication, Admin and Internal Audit teams.

Induction of new employees also affords them the opportunity to learn about the importance of Sustainability during the Enterprise Risk Management training session.

The capacity building objective is further entrenched through Train -the - Trainers initiatives in collaboration with notable bodies like the Development Bank of Nigeria, International Finance Corporation, Afrexim, GetInvest EdgeFinance FITC, on specialized competences provided for our SEMS Officer along with other Credit Underwriters.

The Chief Risk Officer trained the Bank’s Senior Management and the Board and had consistently deployed initiative to foster bank wide integration.

The Bank also participated in the financial literacy programme where selected staff were sent to secondary schools across Lagos, Asaba, Ondo, Abuja, Ogun State and Abia

**IV. Regulatory reporting**

Our mandatory half-yearly sustainability reports serve as a comprehensive audit of our ESG integration across the enterprise. To ensure data integrity and institutional accountability, the Bank observes a disciplined reporting calendar:

Reporting Timelines: Statutory submissions are finalized and transmitted by the 7th day of the month immediately following the conclusion of each half-year period.

Bi-Annual Milestones: Comprehensive reports are submitted every January (covering the H2 period of the prior year) and July (covering H1 of the current year).

**Strategic Alignment with National Goals**

These submissions go beyond mere compliance; they represent the Bank’s proactive role in the national agenda for financial stability and environmental stewardship. By providing the CBN with high-fidelity data on our social and environmental risk management, Providus Bank continues to reinforce its reputation as a disciplined and responsible financial institution within the Nigerian banking sector.



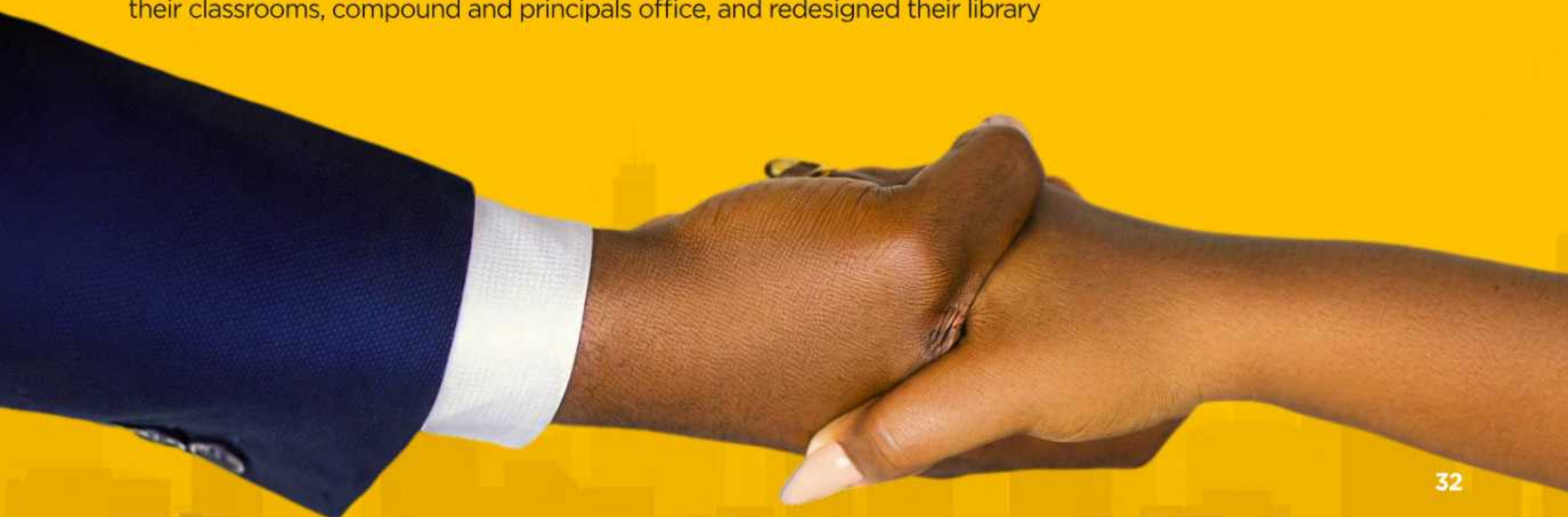
**V. Collaboration**

We have continued to enjoy the collaboration and free advisory engagements of the International Finance Corporation (IFC) since the enlistment of ProvidusBank in 2022. A notable benefit of this partnership saw the approval of a Guarantee Trade Finance Product (GTFP) which created a boost into the bank’s support to the SME and MSME thus impacting economic growth and development.

The bank also has strong synergy with the Development Bank of Nigeria (DBN) in dealing with the funding needs of the Small and Medium Enterprises.

Other notable collaborations during the year were

- Partnered with Medics Partners for a medical outreach program that provided free healthcare and education to people.
- ProvidusBank partnered with Mente Calma for its "Beyond the Pink There's the Green" in celebration of Breast Cancer Awareness Month and carried out breast cancer scans.
- Providus Bank held Cancer talks in schools in collaboration with NOVO Health
- Partnered with Leadway Health insurance to do a community health check in Abuja during market storm.
- ProvidusBank partnered with Associations of Nigerian Physician in the America for their health week in Lagos.
- Partnered with The Woman Initiative for the "Pink Up for Girls" event which was done in celebration of International Day of the Girl Child.
- Formally launched SheThrives in partnership with UN Women and Enterprise Development Centre aims to empower female entrepreneurs by equipping them with the skills, resources, and connections needed to drive business growth and sustainability.
- Sponsored WIMBIZ 3rd London Conference Themed: "The Power of Us"
- Providus Bank signed the WE Finance (WE-FI) Code for Financial Service Providers (FSPs). As part of our commitment, the Bank has pledged the following Institutional Action Steps:
- Planted 500 trees in Ado-Odo Otta in collaboration with the Rotary Club
- Collaborative partnership with African Clean-up initiative in promoting environmental sustainability and fostering community development, positively impacting lives and transforming landscapes across Nigeria and Africa. This resulted in the planting of 1,500 trees across Lagos, Ogun & Abuja to support its Tree Planting initiative.
- Providus Bank in partnership with African Clean-up Initiative hosted the "Walk for Mother Earth"
- Attended the NSBP Champions Meeting hosted by GTB
- Participated in the launch of the GetInvest EdgeFinance Program for Nigerian Financial Institutions
- Invitation to a Gender Equality Stakeholder Meeting with the United Nations Women in Nigeria and ECOWAS. We reaffirmed our commitment to inclusive growth and sustainable development through strategic partnerships promoting women`s empowerment and economic inclusion.
- Renovation of Schools and provision of school necessities: As part of our back-to-school initiative the Bank revamped Archbishop Taylor Memorial Nursery and Primary School- built a water treatment system, repainted their classrooms, compound and principals office, and redesigned their library













**VI. Reduction Of Carbon Footprint**

Following increased bank wide awareness to promote effective waste management, paper reduction and energy efficiency, the Bank recorded a 52% reduction in paper usage from 1,864kg to 890kg in 2025 as well as a 44% reduction in energy consumption from 36,007,907 Kwh in 2024 to 20,200,853 Kwh in 2025 as it replaced and reinforced inverter batteries in some branches which reduced over reliance on public power supply especially at night, weekends and public holidays.

**TARGET FUTURE INITIATIVES**

Our Bank plans strong collaboration with other multilateral institutions such as IFC and FMO (Netherlands) with a view to growing capacity on one hand and build strong synergy on the other. The intended collaboration would focus more on specialized trainings to enhance the competence of the Credit Underwriters, the SEMS Officer and Champions. This will also facilitate effective cascade among the frontline officers. We would also continue to take advantage of various webinars periodically organized by IFC to support our practical understanding.

**STAKEHOLDER ENGAGEMENT**

**CUSTOMER FORA** – Our Bank currently undertakes periodic hangouts where customers meet with top management for interactive sessions. This enables us to create increased awareness and knowledge improvement programmes to foster enhanced understanding of the initiative. This would be sustained in the new year and extended to all the third party clients and vendors.

**FINANCIAL INCLUSION**

WOMEN OWNED AND  
MANAGED TRANSACTIONS

During the review period, Small and Medium Enterprises (SMEs) accounted for over 60% of total facility disbursements by volume. Notably, 34% of these allocations were directed toward women-owned or controlled businesses. Through strategic partnerships with institutions such as the EDC, LCCI, DBN, and NCIC, Providus Bank continues to prioritize the SME sector as a critical driver of macroeconomic stability. Despite their individual scale, SMEs remain the primary catalysts for innovation, employment generation, and equitable income redistribution.

Furthermore, we broadened the offerings of our flagship Gender focused product i.e. Regal Woman to incorporate Regal Health Product to provide finance towards the payments for fertility & reproductive health, Maternal Newborn & child health, Specialized procedures & others.

We also held the Regal HERconomy Conference in celebrating the year’s Women’s Day Celebration.



# Awards and Recognition

Our efforts did not go unnoticed as the bank received several awards notable among which were the award by the Development Bank of Nigeria (DBN) recognizing Providus Bank for the highest disbursement to Livestock Value Chain.



We also received



Environmental Stability Bank of the Year  
African Cleanup Initiative (ACI) | 2025



SME Empowerment of the Year  
BAFI Awards | 2025



Outstanding Financial Growth and Strategic Expansion  
BAFI Awards | 2024



Second Best Place to Work in Banking  
Great Place to Work | 2025



Second Best Place to Work Nationwide (Large Category)  
Great Place to Work | 2025



Fun and Friendly Culture Category  
Great Place to Work | 2025



Caring Workplaces Award  
2025



International Payment Card of the Year Award



Most Customer Friendly Bank  
Delta State Bankers Committee | 2025



Compliance in Failed Transaction Resolution  
Delta State Bankers Committee | 2025



This High-Level Sustainability Report provides a clear picture of where ProvidusBank stands today in its sustainability journey and the foundations we are building for the future. As a financial institution, we understand that we play a critical role in directing attention and efforts towards promoting sustainable practices. We also understand that sustainability is not a stand-alone concept but an interrelated concept that is intrinsically relevant to the way we do business. This understanding forms the basis for strengthening our governance, enhancing risk management, and integrating sustainability more deliberately across our activities. Through the data gathered, the frameworks reviewed, and our materiality assessment, we have identified the ESG issues most critical to our operations, our stakeholders, and the long-term resilience of our business.

In the integration of sustainability into our business practices, we were able to make some progress in the reporting year, which includes:

- Reducing employee turnover rate by 45% Training 100% of employees on business continuity or crisis response.
- Assessing 100% of the Bank’s operations and high-risk business units for anti-corruption risks.

As we progress, we remain guided by our vision of becoming a more resilient, responsible, and future ready institution. Our path forward will be guided by collaboration, innovation, and a long-term perspective, ensuring that we remain responsive to emerging risks, evolving stakeholder needs, and the changing sustainability landscape.

With these efforts, ProvidusBank is positioning itself to deliver shared value, strengthen stakeholder confidence, and contribute meaningfully to a more sustainable and inclusive future.

**Reports on the resolution of Customers’ Complaints for 2025**

Below is a breakdown of complaints received and resolved by the Bank during the year ended 31st December 2025 pursuant to CBN circular dated April 16, 2011:

| DESCRIPTION                                          | NUMBER   | AMOUNT CLAIMED  | AMOUNT REFUNDED |
|------------------------------------------------------|----------|-----------------|-----------------|
| Pending Complaints from Prior Year                   | 44       | 4,827,059       | -               |
| Received Complaints                                  | 19,114   | 2,235,030,305   | -               |
| Resolved Complaints                                  | (19,124) | (2,234,757,819) | 2,462,940,342   |
| Unresolved Complaints escalated for CBN intervention | -        | -               | -               |
| Unresolved Complaints pending with the Bank C/F      | 34       | 5,099,546       | -               |



**Martins Okoro**  
Internal Audit



**Aina Amah**  
Head, Internal Audit



# Audit Committee Report





# Audit Committee Report

To the members of Providus Bank Limited

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, 2020, the members of the Audit Committee of Providus Bank Limited hereby report on the financial statements for the year ended 31 December 2025 as follows:

- We have exercised our statutory functions under Section 359 (6) of the Companies and Allied Matters Act, 2020 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 Bank are in accordance 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 bank's internal control systems.
- We are satisfied that the bank has considered the provisions of the Central Bank of Nigeria regarding disclosure of director related deposits.
- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the Bank's system of accounting and internal control.



**Mrs. Bernadine Okeke**  
Chairman, Audit Committee  
12 March 2026

**Members of the audit committee are:**  
Mrs. Bernadine Okeke  
Mr. Funmi Augusto  
Dr. (Mrs.) Belinda Diei  
Mr. Maurice Onokwai  
Mr. Chuka Eseka



# Report Of The Independent Consultant To The Board Of Directors Of Providus Bank Limited On Their Appraisal For The Year Ended 31 December 2025



Report of the Independent Consultant to the Board of Directors of Providus Bank Limited on their Appraisal for the Year Ended 31 December 2025.

In compliance with the guidelines of Section 10.1 of the Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-interest And Payment Service Banks in Nigeria ("the CBN Guidelines") and Section 14.1 of the Nigerian Code of Corporate Governance 2018 ("NCCG"), Providus Bank Ltd. ("Providus Bank" or "the Bank") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2025. The CBN Guidelines mandates an annual appraisal of the Board with specific focus on the Board's structure, composition, responsibilities, processes and relationships.

We have performed the procedures agreed with Providus Bank in respect of the appraisal of the Board in accordance with the provisions of the CBN Guidelines and the NCCG. These procedures, which are limited in scope but sufficient for the Board's objectives are different from an external audit. Consequently, no opinion is expressed by us on the activities reported upon.

Our approach to the appraisal of the Board involved a review of the Bank's Board papers and minutes, key corporate governance structures, policies and practices. It also included the review of the corporate governance framework and representations obtained from questionnaires and interviews with members of the Board and Senior Management.

On the basis of our review, the Bank's corporate governance practices are largely in compliance with the key provisions of the CBN Guidelines and the NCCG. Specific recommendations to further improve the Bank's governance practices have been articulated and included in our detailed report to the Board. These include recommendations on Board succession plan and composition.

A blue ink signature, appearing to read 'Tolu Odukale', written in a cursive style.

Tolu Odukale  
Partner and Head, Internal Audit, Governance, Risk & Compliance Services  
FRC/2018/ICAN/00000018175  
March 2026





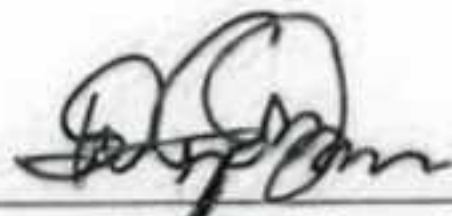
# Annual Report and Financial Statements for the year ended 31 December 2025

## Management’s Annual Assessment of, and Report on, Providus Bank Limited’s Internal Control over Financial Reporting

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeris, we hereby make the following statements regarding the Internal Controls of Providus Bank Limited for the year ended 31 December 2025:

- I. Providus Bank Limited’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. Providus Bank: Limited’s management used the Committee of Sponsoring Organization of the Treadway Cocomission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity’s ICFR;
- iii. Providus Bank Limited’s management has assessed that the entity’s ICFR as of the end of 31 December 2025 is effecton.
- iv. Providus Bank Limited’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 Providus Bank Limited’s annual report.

  
**Name:** Alhaji Husiani Dikko  
**Chairman**  
**FRC No:** FRC/2017/PRO/DIR/003/00000016746

  
**Name:** Walter Akpani  
**Managing Director**  
**FRC No:** FRC/2013/PRO/DIR/003/00000005007

### FUTURE FORWARD BANKING

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[providusbank.com](http://providusbank.com)

ProvidusBank, RC NO: 198882.  
H.A. Dikko (chairman), W. Akpani (Managing Director/CEO), K. Aigbokhaevbo (Deputy Managing Director)  
A. Ojuroye (Executive Director), C. Eseka, M. Onokwai, F. Agosto, B. Okeke, B.B. Diei, M. Tukur





# Annual Report and Financial Statements for the year ended 31 December 2025

## Certification of management’s assessment on internal control over financial reporting

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Providus Bank Limited for the year ended 31 December 2025.

I, Adeoye Ojuroye, certify that:

- a) I have reviewed this management assessment on internal control over financial reporting of Providus Bank Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report,
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report,
- d) The entity’s other certifying officer and I:-
  - 1. are responsible for establishing and maintaining internal controls;
  - 2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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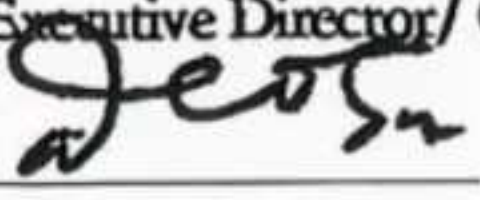
4. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedutes, as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's boatd of directors (or persons performing the equivalent functions):
- 1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  - 2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Adeoye Ojuroye

FRC No: FRC/2016/PRO/ICAN/001/00000014356

Date: 12/03/2026

Designation: Executive Director/ CFO

Signature: 







# Annual Report Financial Statements for the year ended 31 December 2025

## Certification of Management assessment on internal control over financial reporting,

To comply with the assessment requirements of the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, I hereby make the following statements regarding the internal control over financial reporting of Providus Bank Limited for the year ended 31 December 2025.

I, Walter Akpani, certify that:

- a) I have reviewed this Management assessment on internal control over financial reporting of Providus Bank Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report,
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report,
- d) The entity's other certifying officer and I:
  - 1. are responsible for establishing and maintaining internal controls;
  - 2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - 3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

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A. Ojuroye (Executive Director), C. Eseka, M. Onokwai, F. Agosto, B. Okeke, B.B. Diei, M. Tukur



- The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):
1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

|                                          |                                                                                                  |
|------------------------------------------|--------------------------------------------------------------------------------------------------|
| Name: Walter Akpani                      | Designation: Managing Director                                                                   |
| FRC No: FRC/2013/PRO/DIR/003/00000005007 | Signature:  |
| Date: 12/03/2026                         |                                                                                                  |

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# Independent practitioner’s report

To the Members of Providus Bank Limited

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

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### 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 Providus Bank Limited (“the bank”) are not adequate as at 31 December 2025, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria.

### What we have performed

We have performed an assurance engagement on Providus Bank Limited’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 bank’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 Annual Assessment on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the bank’s internal control over financial reporting based on our assurance engagement.

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### 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.

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### 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.

**Other matter**

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Providus Bank Limited and our report dated 28 April 2026 expressed an unqualified opinion.

*Chidi Ojechi*

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

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



28 April 2026





# Independent auditor’s report

To the Members of Providus Bank Limited

## Report on the audit of the financial statements

### Our opinion

In our opinion, Providus Bank Limited’s (“the bank’s”) financial statements give a true and fair view of the financial position of the bank 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

Providus Bank Limited’s financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the statement of financial position as at 31 December 2025;
- 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 Bank 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.

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





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.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| <p><b>Impairment allowance on loans and advances to customers – N19.7 billion (refer to notes 2.10, 4a and 19)</b></p> <p>The impairment allowance on loans and advances to customers is considered a key audit matter as the measurement of impairment allowance involves the exercise of significant judgments and the use of complex models and assumptions. The size of the loans and advances to customers balance net of impairment is N960.8 billion.</p> <p>The key areas of significant judgment in the calculation of the impairment allowance include:</p> <ul style="list-style-type: none"><li>• Estimation of point-in-time probability of default (PD) used in the impairment allowance models;</li><li>• Assessment of the assumptions and the methodology used in the modelled Loss Given Default (LGD) calculations;</li><li>• Estimation of the Exposure at Default (EAD) used in computing expected credit losses over the life of risk assets as well as credit conversion factor (CCF) used for off - balance sheet exposures; and</li><li>• Incorporation of forward-looking information (FLI) into the impairment allowance model.</li></ul> | <p>We adopted a combination of controls and substantive approach in assessing the impairment allowance of loans and advances to customers.</p> <p>We evaluated and tested the design and operating effectiveness of relevant controls supporting the estimate.</p> <p>We assessed management’s default definition against the 90-days-past-due presumption and reviewed customer information and loan performance indicators on sampled facilities to evaluate the appropriateness of days-past-due classifications and identify any signs of significant increase in credit risk, which are inputs into the PD estimation.</p> <p>With the assistance of our credit modelling experts, we:</p> <ul style="list-style-type: none"><li>• assessed the reasonableness of the point-in-time PD by performing a recalculation of the probability of default estimate in the impairment allowance model.</li><li>• assessed the reasonableness of the Loss Given Default (LGD) by performing a re – assessment of the modelled LGD and evaluating the assumptions and methodology used in the LGD calculations.</li><li>• checked the appropriateness of the EAD estimation for the on-balance sheet exposures and CCF estimates used for off-balance sheet exposures by reviewing the methodology and logic applied in the impairment allowance model and comparing the CCF to commonly applied industry factors;</li><li>• checked the methodology for incorporating FLI into the impairment allowance model and assessed the FLI for reasonableness given historical and forecast data;</li><li>• tested the implementation of the IFRS Methodology in the impairment allowance calculation engine.</li></ul> <p>We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9.</p> |





## Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report are Corporate information, Report of the directors, Statement of directors' responsibilities, Statement of corporate responsibility, Corporate Governance Report, Sustainability report & report on customer complaints, Audit committee report, Report of the independent consultant to the board of directors of Providus Bank Limited on their appraisal for the year ended 31 December 2025, Management's Annual Assessment of, and Report on, Providus Bank Limited's Internal Control Over Financial Reporting, 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.

Our opinion on the financial statements does not cover the other information and we do 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 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.

## 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 bank'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 bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the bank'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 bank'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.

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 bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;
- iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 37 to the financial statements; and
- v) as disclosed in Note 38 to the financial statements, the bank paid penalties in respect of contraventions of relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2025.





In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management’s assessment of Providus Bank Limited'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 28 April 2026.

*Chidi Ojechi*

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

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



28 April 2026



# Statement Of Profit Or Loss And Other Comprehensive Income

|                                                                      | NOTE | 31 DECEMBER 2025<br>N'000 | 31 DECEMBER 2024<br>N'000 |
|----------------------------------------------------------------------|------|---------------------------|---------------------------|
| Interest income                                                      | 5    | 336,883,364               | 188,025,058               |
| Interest expense                                                     | 6    | (266,911,722)             | (137,199,970)             |
| Net interest income                                                  | -    | 69,971,642                | 50,825,088                |
| Impairment on financial assets                                       | 7    | (11,854,353)              | (18,860,943)              |
| Net interest income after impairment charges                         | -    | 58,117,289                | 31,964,145                |
| Fee and commission income                                            | 8    | 35,424,961                | 29,491,238                |
| Fee and commission expense                                           | 9    | (4,608,323)               | (1,987,791)               |
| Net fee and commission income                                        | -    | 30,816,638                | 27,503,447                |
| Net trading gains                                                    | 10   | 36,628,320                | 21,308,186                |
| Other operating (expenses)/income                                    | 11   | (7,360,665)               | 30,330,063                |
| Net operating income                                                 | -    | 118,201,582               | 111,105,841               |
| Personnel expenses                                                   | 12   | (23,527,530)              | (17,193,170)              |
| Other operating expenses                                             | 13   | (57,042,849)              | (45,613,450)              |
| Deprecation and amortisation                                         | 14   | (11,621,396)              | (7,680,278)               |
| Profit before tax                                                    | -    | 26,009,807                | 40,618,943                |
| Income tax charge                                                    | 29   | (6,798,402)               | (7,581,797)               |
| Profit for the year                                                  | -    | 19,211,405                | 33,037,146                |
| Items that may be subsequently reclassified to the income statement: | -    | -                         | -                         |
| Net changes in fair value of financial assets FVOCI                  | -    | 6,919,935                 | 2,366,289                 |
| Other comprehensive income, net of related tax effects:              | -    | 6,919,935                 | 2,366,289                 |
| Total comprehensive income for the year                              | -    | 26,131,340                | 35,403,435                |
| Profit for the year attributable to:                                 | -    | -                         | -                         |
| Owners of the Bank                                                   | -    | 19,211,405                | 33,037,146                |
| Profit for the period                                                | -    | 19,211,405                | 33,037,146                |
| Total comprehensive income attributable to:                          | -    | -                         | -                         |
| Owners of the bank                                                   | -    | 26,131,340                | 35,403,435                |
| Total comprehensive income for the year                              | -    | 26,131,340                | 35,403,435                |
| Earnings per share for profit attributable to owners of the Bank:    | -    | -                         | -                         |
| Owners of the bank                                                   | -    | -                         | -                         |
| Earnings per share (kobo)                                            | -    | 47                        | 82                        |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



Statement Of Financial Position

|                                                   | NOTE | 31 DECEMBER 2025<br>N'000 | 31 DECEMBER 2024<br>N'000 |
|---------------------------------------------------|------|---------------------------|---------------------------|
| Assets                                            |      |                           |                           |
| Cash and bank balances                            | 16   | 49,961,790                | 19,427,908                |
| Due from other financial institutions             | 17   | 1,070,655,008             | 530,219,196               |
| Financial assets at fair value                    | 18   | 477,175,026               | 117,627,271               |
| Loans and advances at amortised cost              | 19   | 960,841,970               | 800,827,227               |
| Other financial assets at amortised cost          | 20   | 486,036,963               | 289,695,271               |
| Cash reserve balance with Central Bank of Nigeria | 21   | 669,289,252               | 579,614,616               |
| Other assets                                      | 22   | 220,465,487               | 140,687,533               |
| Property and equipment                            | 24   | 90,599,300                | 74,884,985                |
| Right of use assets                               | 25.1 | 889,535                   | 612,737                   |
| Intangible assets                                 | 26   | 3,483,603                 | 2,359,554                 |
| Deferred tax assets                               | 33   | 1,086,920                 | 2,559,135                 |
|                                                   |      | 4,030,484,854             | 2,558,515,433             |
| Assets classified as held for sale                | 23.1 | -                         | 3,264,527                 |
| Total Assets                                      |      | 4,030,484,854             | 2,561,779,960             |
| Liabilities                                       |      |                           |                           |
| Deposits from customers                           | 27   | 2,109,514,863             | 1,574,471,476             |
| Borrowed funds                                    | 28   | 1,184,642,949             | 619,511,605               |
| Current income tax liability                      | 29   | 5,556,803                 | 7,975,223                 |
| Debt securities Issued                            | 30   | 82,093,991                | 15,789,907                |
| Other liabilities                                 | 31   | 485,285,422               | 205,120,326               |
| Lease liabilities                                 | 32   | 696,738                   | 348,674                   |
| Total liabilities                                 |      | 3,867,790,766             | 2,423,217,211             |
| Equity                                            |      |                           |                           |
| Share capital                                     | 34   | 20,902,917                | 19,560,060                |
| Share premium                                     | 34.2 | 29,619,817                | 21,256,674                |
| Deposit for shares                                | 34.2 | -                         | 9,400,000                 |
| Retained earnings                                 | 34.3 | 41,712,835                | 39,441,010                |
| Other reserves                                    | 34.5 | 70,458,519                | 48,599,005                |
| Total equity                                      | -    | 162,694,088               | 138,562,749               |
| Total equity and liabilities                      |      | 4,030,484,854             | 2,561,779,960             |

The accompanying notes are an integral part of these financial statements. The financial statements were approved and authorized for issue by the Board of Directors on 12 March 2026 and signed on its behalf by:

  
Adeoye Ojuroye  
Executive Director/ Chief Financial Officer  
FRC/2016/PRO/ICAN/001/00000014356

  
Walter Akpani  
Managing Director/Chief Executive Officer  
FRC/2013/PRO/DIR/003/00000005007

  
Alhaji Hussaini Dikko  
Chairman  
FRC/2017/PRO/DIR/003/00000016746



| ATTRIBUTABLE TO EQUITY HOLDERS                 |               |               |                    |                   |                         |                     |                |                 |                   |             |
|------------------------------------------------|---------------|---------------|--------------------|-------------------|-------------------------|---------------------|----------------|-----------------|-------------------|-------------|
|                                                |               |               |                    | OTHER RESERVES    |                         |                     |                |                 |                   |             |
|                                                | Share capital | Share premium | Deposit for shares | Statutory reserve | Regulatory risk reserve | Fair value reserves | SMEEIS reserve | AGSMEIS reserve | Retained Earnings | Total       |
|                                                | N'000         | N'000         | N'000              | N'000             | N'000                   | N'000               | N'000          | N'000           | N'000             | N'000       |
| Balance at 1 January 2025                      | 19,560,060    | 21,562,674    | 9,400,000          | 29,710,623        | 6,619,506               | 2,366,289           | 4,965,665      | 4,936,921       | 39,441,010        | 138,562,749 |
| Profit for the year other comprehensive income | -             | -             | -                  | -                 | -                       | -                   | -              | -               | 19,211,405        | 19,211,405  |
| Net of tax                                     | -             | -             | -                  | -                 | -                       | 6,919,935           | -              | -               | -                 | 6,919,935   |
| Total comprehensive income for the year        | -             | -             | -                  | -                 | -                       | 6,919,935           | -              | -               | 19,211,405        | 26,131,340  |
| Transfers between reserves                     | -             | -             | -                  | 5,763,422         | 7,255,018               | -                   | 960,570        | 960,570         | (14,939,580)      | -           |
| Transactions with owners:                      | -             | -             | -                  | -                 | -                       | -                   | -              | -               | -                 | -           |
| Issue of shares                                | 1,342,857     | 8,057,143     | (9,400,000)        | -                 | -                       | -                   | -              | -               | -                 | -           |
| Dividend paid                                  | -             | -             | -                  | -                 | -                       | -                   | -              | -               | (2,000,000)       | (2,000,000) |
| Balance at 31 December 2025                    | 20,902,917    | 29,619,817    | -                  | 35,474,045        | 13,874,524              | 9,286,224           | 5,926,235      | 5,897,491       | 41,712,835        | 162,694,088 |
| Balance at 1 January 2024                      | 19,560,060    | 21,562,674    | -                  | 19,799,479        | 11,349,487              | -                   | 3,313,808      | 3,285,064       | 17,388,742        | 96,259,314  |
| Profit for the year other comprehensive income | -             | -             | -                  | -                 | -                       | -                   | -              | -               | 33,037,146        | 33,037,146  |
| Net of tax                                     | -             | -             | -                  | -                 | -                       | 2,366,289           | -              | -               | -                 | 2,366,289   |
| Total comprehensive income for the year        | -             | -             | -                  | -                 | -                       | 2,366,289           | -              | -               | 33,037,146        | 35,403,435  |
| Transfers between reserves                     | -             | -             | -                  | 9,911,144         | (4,729,981)             | -                   | 1,651,857      | 1,651,857       | (8,484,878)       | -           |
| Transactions with owners:                      | -             | -             | -                  | -                 | -                       | -                   | -              | -               | -                 | -           |
| Issue of shares                                | -             | -             | (9,400,000)        | -                 | -                       | -                   | -              | -               | -                 | 9,400,000   |
| Dividend paid                                  | -             | -             | -                  | -                 | -                       | -                   | -              | -               | (2,500,000)       | (2,500,000) |
| Balance at 31 December 2024                    | 19,560,060    | 21,562,674    | 9,400,000          | 29,710,623        | 6,619,506               | 2,366,289           | 4,965,665      | 4,936,921       | 39,441,010        | 138,562,749 |



# Financial Statements For The Year Ended 31 December 2025

## Statement Of Cash Flows

|                                                                   | NOTE | 31 DECEMBER 2025<br>#’000 | 31 DECEMBER 2024<br>#’000 |
|-------------------------------------------------------------------|------|---------------------------|---------------------------|
| Cash flows from operating activities                              |      |                           |                           |
| Cash used in operations                                           | 35   | 414,534,396               | (152,894,053)             |
| Interest received                                                 | -    | 321,610,034               | 154,481,283               |
| Interest paid                                                     | -    | (216,534,080)             | 105,036,596               |
| Income tax paid                                                   | 29b  | (7,744,606)               | (946,808)                 |
| Net cash flow generated from operating activities                 | -    | 511,865,744               | 105,677,018               |
| Cash flows from investing activities                              |      |                           |                           |
| Purchase of property and equipment                                | 24   | (27,854,735)              | (50,022,538)              |
| Addition to right of use asset                                    | 25   | -                         | (158,186)                 |
| Proceeds from disposal of property and equipment                  | -    | 78,442                    | 16,069                    |
| Purchase of intangible asset                                      | 26   | (2,466,082)               | (1,223,000)               |
| Purchases of investment securities                                | -    | (720,654,000)             | (296,073,752)             |
| Proceeds from matured/disposal of investment securities           | -    | 218,498,925               | 176,045,146               |
| Net cash flow used in investing activities                        | -    | (532,397,450)             | (171,416,261)             |
| Cash flows from financing activities                              |      |                           |                           |
| Debt securities issued                                            | 30   | 84,734,884                | -                         |
| Debt securities repayment                                         | 30   | (29,628,900)              | -                         |
| Dividends paid                                                    | 34.4 | (2,000,000)               | (2,500,000)               |
| Proceeds from deposit for shares                                  | 34.1 | -                         | 9,400,000                 |
| Proceeds from borrowings                                          | 28   | 1,167,998,448             | 612,365,347               |
| Repayment of borrowings                                           | 28   | (618,070,422)             | (181,672,605)             |
| Lease payments                                                    | 32   | (503,500)                 | (246,290)                 |
| Net cash flow generated from financing activities                 | -    | 602,530,510               | 437,346,452               |
| Net increase in cash and cash equivalents                         | -    | 581,998,804               | 371,607,209               |
| Cash and cash equivalents at start of year                        | 16.1 | 549,647,104               | 141,800,970               |
| Effect of exchange rate fluctuations on cash and cash equivalents | -    | (10,103,502)              | 36,238,925                |
| Cash and cash equivalents at end of year                          | 16.1 | 1,121,542,406             | 549,647,104               |



# Notes To The Financial Statements





## ● 1. General information

The accompanying financial statements comprise the financial statements of Providus Bank Limited. The Bank was incorporated in Nigeria under the Companies and Allied Matters Act 2020. The address of the Bank's registered office is Plot 54 Adetokunbo Ademola Street, Victoria Island, Lagos.

Providus Bank Limited previously called Providus Bank Plc is a Nigeria registered company incorporated on 16 June 1992 as United Mortgage Bank Plc. The Bank by special resolution of the board changed its name to Providus Bank Plc on 31 December 2015. On 8 July 2021, the Bank transformed from a Public Liability Company to a Limited Liability Company and further changed its name to Providus Bank Limited. The primary activities of the Bank include retail and commercial banking.

## ● 2. Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### ● 2.1 Basis of preparation

The financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). These financial statements comply with the Companies and Allied Matters Act 2020, and the Financial Reporting Council (Amendment) Act 2023, the Banks and other Financial Institutions Act 2020 and relevant Central Bank of Nigeria circulars. The financial statements comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes to the financial statements.

### ● 2.2 Basis of measurement

The financial statements have been prepared in accordance with the going concern basis under the historical cost concept except for financial asset and liabilities measured at amortised cost, financial assets measured at fair value, lease liabilities measured at the present value of future lease payment and investment properties measured at fair value. The financial statements are presented in Naira and all values are rounded to the nearest thousand, except where otherwise indicated.

The preparation of financial statements in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed.

Management believes that the underlying assumptions are appropriate and that the financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.



● **2.3 Going concern**

The Bank’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Bank’s ability to continue as a going concern within twelve months from the end of the reporting period.

Management reviewed the Bank’s budgets and flow of funds forecasts for the next three years and considered the Bank’s ability to continue as a going concern in light of current and anticipated economic conditions. These budgets and flow of funds forecasts took the impact of economic activities into consideration, including projections of the impact on the Bank’s capital, funding and liquidity requirements, all of which have remained within internal targets and above regulatory requirements.

As part of this assessment, Management considered the sufficiency of the Bank’s financial resources throughout the pandemic. The management of the Bank’s financial resources, which it defines as capital, funding and liquidity, and risk capacity, is a critical enabler of the achievement of the Bank’s stated growth and return targets and is driven by the Bank’s overall risk appetite. Forecast growth in earnings and statement of financial position risk weighted assets (RWA) is based on the Bank’s macroeconomic outlook and is evaluated against available financial resources, considering the requirements of capital providers, regulators and rating agencies. The expected outcomes and constraints are then stress tested, and the Bank sets targets through different business cycles and scenarios.

On the basis of this review, and in the light of the current financial position and profitable trading history of the Bank, management is satisfied that the Bank has adequate resources to continue in business for the foreseeable future. The going concern basis, therefore, continues to apply and has been adopted in the preparation of the annual financial statements.

● **2.4 Changes in accounting policies and disclosures**

**(a) New standards, amendments and interpretations adopted by the Bank**

New standards and amendments to standards and interpretations are effective for the current reporting period. The impact of the adoption of these standards and the new accounting policies are disclosed below:

**i) Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1**

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

**ii) Lease Liability in Sale and Leaseback – Amendments to IFRS 16**

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.



**iii) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7d**

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**(b) New standards and interpretations not yet adopted**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the company. These new standards and interpretations are set out below:

**i) Amendments to IAS 21 -- Lack of Exchangeability  
(effective for annual periods beginning on or after 1 January 2025)**

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The bank does not expect these amendments to have a material impact on its operations or financial statements.

**ii) Amendments to the Classification and Measurement of Financial Instruments –  
Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

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

- 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;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- 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
- Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

**iii) IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The bank does not expect this standard to have an impact on its operations or financial statements.



#### **iv) IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the group's net profit, the group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, the following items might potentially impact operating profit:
  - a.** Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - b.** IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the group currently recognises some gains or losses in operating profit and others in finance costs, there might be change to where these gains or losses are recognised, and the group currently evaluating the need for change.
    - The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- a.** Management-defined performance measures;
- b.** A break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- c.** For the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.



- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Bank will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

## ● 2.5 Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency').

The financial statements are presented in Naira which is the Bank's functional currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into functional using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency and from the year end translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

All foreign exchange gains and losses recognised in the statement of profit or loss are presented net in the statement of profit or loss within other operating income or expense.

Changes in the fair value of monetary securities denominated in foreign currency classified at amortised cost are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss.

## ● 2.6 Property and equipment

### Recognition and measurement

Property and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Historical cost includes expenditures that are directly attributable to the acquisition of the asset. These costs include costs incurred initially to acquire or construct an item of property, plant and equipment as well as the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of using the item during a particular period.



The assets' carrying values are written down where an asset is impaired. Assets are impaired whenever events or changes in circumstances indicate that the carrying amount is more than the recoverable amount.

**Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance cost are charged to the profit or loss during the financial year in which they are incurred.

**Depreciation**

Depreciation is recognised in the Profit or loss on a straight-line basis to write down the depreciable value of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

The estimated useful lives for the assets are as follows:

| Assets                 | Years                                             |
|------------------------|---------------------------------------------------|
| Leasehold improvements | the shorter of the lease term and the useful life |
| Motor vehicles         | 4 years                                           |
| Computer hardware      | 3 years                                           |
| Furniture and fittings | 5 years                                           |
| Plant and machinery    | 5 years                                           |

Capital work in progress consists of items of property and equipment that are not yet available for use. Capital work in progress is carried at cost less any required impairment. Capital work in progress is not depreciated. It is transferred to the relevant asset category upon completion.

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property and equipment are kept under review on an annual basis to take account of any change in circumstances.

**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 other operating income if it's a gain on disposal and other expenses if it's a loss on disposal in the year the asset is derecognised.





  
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Digital Banking  
24-Hour ATM  
Payment Services  
Taxes  
Levies  
Utility Payments

These premises are  
under 24 hour  
CCTV  
surveillance



## ● 2.7 Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank assesses whether:

- The contract involves the use of an identified asset, this may be specified explicitly or implicitly, and should be physically distinct or represented substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Bank has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Bank primarily leases land and buildings used as office spaces for branch operations.

Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. On renewal of a lease, the terms may be renegotiated and the lease terms range from 1 year to 50 years. The lease agreements do not impose any covenants, however, leased assets are not used as security for borrowing purposes.

Where contracts contain lease and non-lease components, the Bank has elected to separate lease and non-lease components and treat them accordingly.

### **Bank as a lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the lease commencement date. Lease payment is used to extinguish the lease obligation.

The Bank does not have any sale and leaseback arrangements.

### **Right of use asset**

Right-of-use assets are initially measured at cost which comprises of the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.





## Lease liability

At the commencement date of a lease, the Bank recognises lease liabilities as the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives received
- Variable lease payments that are based on an index or a rate
- Amounts expected to be payable by the Bank under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option

Lease payments that might be paid under reasonably certain extension options are also included in the measurement of the lease liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Bank's incremental borrowing rate, being the rate that the Bank would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The finance cost is charged to profit or loss over the lease period in order to arrive at a constant periodic rate of interest on the remaining balance of the of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. Lease liability is subsequently measured at amortised cost using the effective interest rate method.

Lease payments on existing leases would be used to reduce the lease liability. The lease payments cover the payment of principal and interest portion and is recognised under financing activities in the statement of cash flows.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification or change in the

- Assessment of the lease term
- Assessment of the option to purchase the underlying asset
- Amounts expected to be payable under a residual value guarantee
- Future lease payments resulting from a change in an index or rate used to determine those payments.

## Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that are have a value less than \$5,000 when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense in profit or loss on a straight line basis over the lease term.

## Extension and termination options

Extension and termination options are included in most of the Bank's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Bank's operations. Most of the extension options are subject to mutual agreement by the Bank and the lessors and some of the termination options held are exercisable only by the Bank.



● 2.8 Intangible assets

Intangible assets other than goodwill are accounted for in accordance with **IAS 38 Intangible Assets** and **IAS 36 Impairment of Assets**.

Intangible assets include internally generated software, other software and licenses. They are initially recognised when they are separable or arise from conceptual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributable to the assets will flow from their use.

Intangible assets are stated at cost less accumulated amortisation and for impairment losses, if any, and are amortised over their useful lives on a straight line basis, using the amortisation periods set out below:

|                                                                | Amortisation Period |
|----------------------------------------------------------------|---------------------|
| Licenses (including those related to core banking application) | 1 year to 10 years  |
| Other software                                                 | 4 years             |

Intangible asset are reviewed for impairment when there are indicators that impairment may have occurred.

● 2.9 Impairment of non-financial assets

Non- financial assets such as property, plant and equipments are reviewed at each reporting date to determine whether there is any indication of impairment. Additionally, intangible assets that have an indefinite useful life such as goodwill are not subject to amortisation but are tested annually for impairment. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. 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.

An impairment loss is recognised in the profit or loss if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset or group of assets that generates cash flows that are largely independent from other assets. Impairment losses recognised in respect of cash-generating units (CGU) are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication 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.



## ● 2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit or Loss-FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Bank will account for such difference as

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss in the statement of profit or loss (i.e. day 1 profit or loss);
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

### a. Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. For all financial assets the amount presented on the statement of financial position represent all amounts receivable including interest accruals. Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are subsequently measured at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI);

All other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL. However, the Bank may irrevocably elect to present subsequent changes in fair value of an equity investment that is not held for trading in Other Comprehensive Income (OCI). The Bank may also designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair



**Debt instruments at amortised cost or at FVTOCI**

The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank’s business model for managing the asset.

**Contractual cashflow characteristics- Solely payments of principal and interest (SPPI)**

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

**Business model assessment**

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Bank’s business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial assets which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank’s business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Bank does not reasonably expect to occur, such as so-called ‘worst case’ or ‘stress case’ scenarios. The Bank takes into account all relevant evidence available such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank’s key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).



At initial recognition of a financial asset, the Bank determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment. See (note 3.2)

The Bank considers the policies around sales within the amortised cost category. Sales would be made in response to increase in the asset's credit risk or to manage credit concentration risk.

**Financial assets at FVTPL**

Financial assets at FVTPL are:

- Assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option

These assets are measured at fair value in the statement of financial position with any gains/losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 3.8.

**Reclassification**

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank changes its business model for managing financial assets. A change in the Bank's business model will occur only when the Bank either begins or ceases to perform an activity that is significant to its operations.

When reclassification occurs, the Bank reclassifies all affected financial assets in accordance with the new business model. Reclassification is applied prospectively from the 'reclassification date'.

During the current financial year and previous accounting period there was no change in the business model under which the Bank holds financial assets and therefore no reclassifications were made.





**Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost exchange differences are recognised in statement of profit or loss in the 'other operating income' line item;
- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss either in 'net trading income' if the asset is held for trading.

**Impairment of financial assets**

In line with IFRS 9, the Bank assesses the under listed financial instruments for impairment using Expected Credit Loss (ECL) approach:

- Financial assets at amortised cost (loans and advances to customers, debt investment securities);
- Off-balance sheet loan commitments; and
- Financial guarantee contracts.

Equity instruments and financial assets measured at FVTPL are not subjected to impairment under the standard.

With the exception of Purchased or originated credit impaired financial assets (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk are provided in note 3.2.

The Bank's policy is always to measure loss allowances for lease receivables as lifetime ECL.

ECLs are a probability weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Bank expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate (EIR) for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Bank if the holder of the commitment draws down the loan and the cash flows that the Bank expects to receive if the loan is drawn down; and for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank expects to receive from the holder, the debtor or any other party.



The Bank measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis. More information on measurement of ECLs is provided in note 3.1, including details on how instruments are measured even when they are assessed on a collective basis.

### **Credit-impaired 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. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- The disappearance of an active market for a security because of financial difficulties; or
- The purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Bank assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or

### **Purchased or originated credit-impaired (POCI) financial assets**

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

### **Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk (see note 3.2).

The Bank considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Bank; or
- The borrower is unlikely to pay its credit obligations to the Bank in full.



This definition of default is used by the Bank for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount.

When assessing if the borrower is unlikely to pay its credit obligation, the Bank takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending, a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Bank uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. More details are provided in note 3.2. Credit impaired assets will include defaulted assets, but will also include other non-defaulted given that the definition of credit impaired is broader than the definition of default.

**Significant increase in credit risk**

The Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Bank will measure the loss allowance based on lifetime rather than 12-month ECL. The Bank’s accounting policy is not to use the practical expedient that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Bank monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Bank considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Bank’s historical experience and expert credit assessment including forward-looking information. See note 3.2 for more details about forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.





For corporate lending, forward-looking information includes the future prospects of the industries in which the Bank's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward-looking information includes the same economic forecasts as corporate lending with additional forecasts of local economic indicators, particularly for regions a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Bank allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in lifetime PD by comparing:

- The remaining lifetime PD at the reporting date; with
- The remaining lifetime PD for this point in time that was estimated based on facts and circumstances at the time of initial recognition of the exposure.

The PDs used are forward looking and the Bank uses the same methodologies and data used to measure the loss allowance for ECL (please refer to note 3.1).

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However the Bank still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is particular focus on assets that are included on a 'watch list'. An exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending, the Bank considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD compared to a financial instrument with a higher PD.

As a back-stop, when an asset becomes 30 days past due, the Bank considers that a significant increase in credit risk has occurred and the asset is included in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL. In addition, loans that are individually assessed and are included on a watch list are in stage 2 of the impairment model. As noted, if there is evidence of credit-impairment, the assets are included in stage 3 of the impairment model. More information about significant increase in credit risk is provided in note 3.2.

### **Modification of financial assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change in interest rate that arises when covenants are breached).



The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified, the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity.

If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If difference in present value is greater than 10%, the Bank deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Bank considers the expected (rather than the contractual) cash flows before modification or renegotiation and compare those with the contractual cash flows after modification or renegotiation.

In the case where the financial asset is derecognised, the ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount

and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as, if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

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



For financial assets modified as part of the Bank’s forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank’s ability to collect the modified cash flows taking into account the Bank’s previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower’s payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance will continue to be measured at an amount equal to lifetime ECL.

If a forborne loan is credit impaired due to the existence of evidence of credit impairment, the Bank performs an ongoing assessment to ascertain if the problems of the exposure are cured to determine if the loan is no longer credit-impaired. An instrument is deemed to be cured when there is a significant reduction in credit risk of the financial instrument. Cured instruments within stage 2 are monitored for a probationary period of 90days to confirm if the credit risk has decreased sufficiently before they can be migrated from stage 2 to stage 1 while cured instruments within stage 3 are monitored for a probationary period of 180days before migration from stage 3 to stage1. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower’s improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification gain or loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification gains or losses for financial assets are included in the profit or loss account in ‘Gains or losses on modification of financial assets’. The Bank measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

**Derecognition of financial assets**

The Bank derecognises a financial asset only when the contractual rights to the asset’s cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognises the financial asset and also recognises a collateralised borrowing for the proceeds received.





**Write-off**

Loans and other debt securities are written off when the Bank has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it).

This is the case when the Bank 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. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Bank’s enforcement activities will result in gains, which will be presented within other income in the statement of profit or loss.

**A.Presentation of allowance for ECL in the statement of financial position**

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

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For loan commitments and financial guarantee contracts: as a provision; and
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Bank presents a combined loss allowance for both components.

The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

**B. Financial liabilities and equity**

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Bank or a contract that will or may be settled in the Bank’s own equity instruments and is a non-derivative contract for which the Bank is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Bank’s own equity instruments.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Bank’s own equity instruments (treasury shares) is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank’s own equity

**Financial liabilities**

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’. For all financial liabilities, the amount presented on the statement of financial position represent all amounts payable including interest accruals.



**Financial liabilities at FVTPL**

Financial liabilities are classified as FVTPL when the financial liability is;

- (i) held for trading, or
- (ii) it is designated at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the Banking is provided internally on that basis; or
- It forms part of a hybrid (combined) contract, containing one or more embedded derivatives that significantly modifies the cashflows of the contract, or it is clear with little or no analysis that separation of the embedded derivative is not prohibited.

Financial liabilities at FVTPL are stated at fair value, with any gains/losses arising on remeasurement recognised in statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognised in statement profit or loss incorporates any interest paid on the financial liability.

However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts that are designated as at FVTPL, all gains and losses are recognised in profit or loss.

In making the determination of whether recognising changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Bank assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

Fair value is determined in the manner described in note 3.8.







**Financial liabilities at amortised cost**

Financial liabilities at amortised cost, including deposits and borrowings, are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Modification and derecognition of financial liabilities**

The Bank derecognises financial liabilities when, and only when, the Bank’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument for another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. To determine if the modified terms of a liability are substantially different to the original terms a similar process with modification of financial assets is followed. The modification is assessed at first on a qualitative basis, factors such as a change in currency or the introduction of a non-closely related embedded derivative that significantly modifies the cash flows are regarded as substantially different. If it is not clear from the qualitative assessment that a modification has resulted in a substantial change in a financial liability, a quantitative assessment is applied. It is assumed that the terms of the financial liability are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the Bank recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. The Bank recognises any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. Modification gains are presented in ‘other income’ and modification losses are presented in ‘other expenses’ in the profit or loss.





### **Financial guarantee contracts and loan commitments**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Bank are initially measured at their fair values and, if not designated at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at FVTPL are presented as provisions on the statement of financial position and the remeasurement is presented in other revenue.

The Bank has not designated any financial guarantee contracts at FVTPL.

### **Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the Bank's revenue recognition policies. The Bank issued staff loan and mortgage loan at below-market interest rate.

Commitments to provide a loan below market rate not designated at FVTPL are presented as provisions in the statement of financial position and the remeasurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate at FVTPL.

### **Establishing groups of assets with similar credit risk characteristics:**

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 3.2 for details of the characteristics considered in this judgement. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change, there is appropriate re segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECL not credit-impaired, or lifetime

ECL credit-impaired, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.



**Models and assumptions used in estimating ECL:**

The Bank uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

See note 3.1 for more details on ECL and note 3.8 for more details on fair value measurement.

**Determination of life of revolving credit facilities:**

The Bank measures ECL considering the risk of default over the maximum contractual period. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. For such financial instruments the Bank measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

**Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario:**

When measuring ECL, the Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Refer to note 3.2 for more details, including analysis of the sensitivity of the reported ECL to changes in estimated forward-looking information.

**Probability of default (PD):**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

**Loss Given Default (LGD):**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

To estimate expected credit loss for off balance sheet exposures, credit conversion factor (CCF) is usually computed. CCF is a modelled assumption which represents the proportion of any undrawn exposure that is expected to be drawn prior to a default event occurring. It is a factor that converts an off-balance sheet exposure to its credit exposure equivalent. The Bank does not have internal data for the modeling of CCF. As a result, the Bank has relied on CCF published by Central Bank of Nigeria.



● **2.11 Cash and cash equivalents**

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents include cash, non-restricted balances with the Central Bank of Nigeria, balances held with other Banks and money market placements.

● **2.12 Revenue recognition**

**Interest income and expense**

Interest income and expense for all interest-earning and interest-bearing financial instruments except those recognised at fair value through profit or loss (FVTPL) are recognised in the profit or loss within "interest income" and "interest expense" using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, the next re-pricing date), to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation of the effective interest rate includes contractual fees and points paid or received, transactions costs and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

The interest income and all other changes in the fair value of financial instruments carried at fair value through profit or loss are recognised in net trading gains.

Interest income and expense presented in the profit or loss include:

- Interest on financial assets and liabilities measured at amortised cost calculated on an effective interest rate basis

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- a)** POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.
- b)** Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.



**Fees and commission income**

Fees and commission that are integral to the effective interest rate on a financial asset are included in the measurement of the effective interest rate. Fees, such as processing and management fees charged for assessing the financial position of the borrower, evaluating and reviewing guarantee, collateral and other security, negotiation of instruments' terms, preparing and processing documentation and finalising the transaction are an integral part of the effective interest rate on a financial asset or liability and are included in the measurement of the effective interest rate of financial assets or liabilities.

For other fees and commission income, it is the Bank's policy to recognise revenue from a contract when it has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectability has been ascertained as probable. Revenue is recognised when control of goods or services have been transferred. Control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits (potential cash inflows or savings in cash outflows) associated with the asset.

Other fees and commissions which relates mainly to transaction and service fees, including loan account structuring and service fees, investment management and other fiduciary activity fees, sales commission, placement line fees, syndication fees and guarantee issuance fees are recognised as adhoc services provided to customers.

Fees and commission income are recognised at a point in time. This includes income earned from account maintenance charges, credit related fees, digital and non-digital banking services.

**Net trading income**

Net trading income comprises all fair value changes on financial assets measured at fair value through profit or loss, net fair value gain on derivative instrument, and foreign exchange translation and trading gains/losses.

**2.13 Employee benefits****Wages and salaries**

Wages, salaries, bonuses and other contributions are accrued for in the period in which the associated services are rendered by employees of the Bank.

**Defined contribution plan**

In line with the Pension Reform Act 2014, the Bank operates a defined contribution pension scheme for all its permanent employees. A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Bank in accordance with the Pension Reform Act, contributes 10% of employees' basic salary, housing and transport allowance to the designated pension fund administrator chosen by each employee. As a part of the scheme, the Bank also remits employees' contribution of 8% of the relevant compensation to the same account, as provided by the Pension Reform Act.







2.14 Taxation

Current income tax

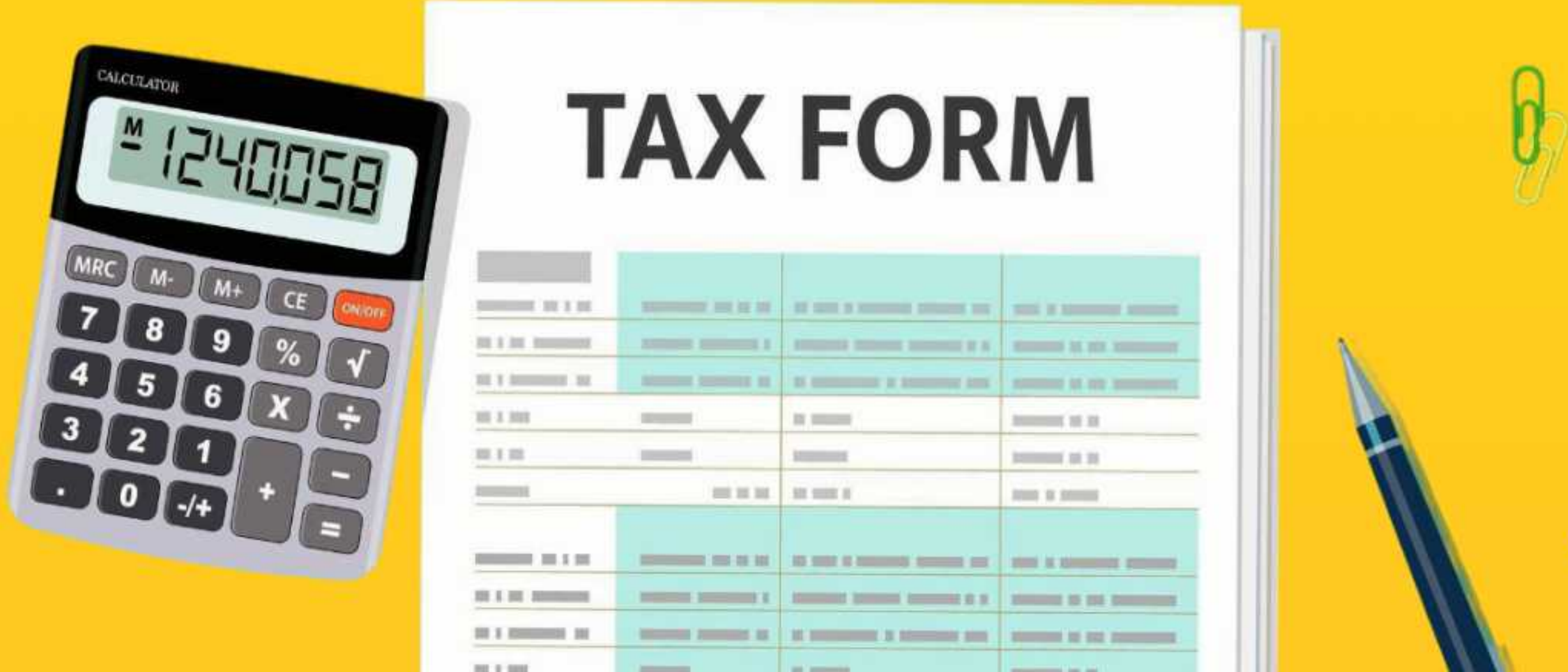
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country, Nigeria, where the Bank operates and generates taxable income. These consist of Company Income Tax, Education Tax, National Agency for Science and Engineering Infrastructure (NASENI) levy, Capital Gain Tax, Police trust fund levy and National Information Technology Development Agency (NITDA) Tax. Company Income Tax is assessed at 30% statutory rate of total taxable profit, Education Tax is computed as 3% of assessable profit , Police trust fund levy is 0.005% of net profit, NASENI rate is 0.25% of Profit Before Tax while NITDA tax is a 1% levy on Profit Before Tax of the Bank. The Bank periodically evaluates positions taken in tax returns; ensuring information disclosed agree with the underlying tax liability which has been adequately provided for in the financial statements.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.





## ● 2.15 Investment properties

The Bank initially recognises investment property at cost including transaction costs, and subsequently at fair value at each statement of financial position date, reflecting market conditions at the reporting date. Gains and losses on remeasurement are included within other operating income in the statement of profit or loss..

### **Measurement of fair value - fair value hierarchy**

The fair values of investment properties were determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair values of the Bank's investment property portfolio every year.

At the end of each reporting period, the Bank updates the assessment of the fair value taking into account the most recent independent valuations. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Bank considers information from a variety of sources including:

- Current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based on a property's estimated net market income, and a capitalisation rate

The fair value measurements for all of the investment properties have been categorised as Level 3 fair value measurements.

## ● 2.16 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. The Bank recognizes no provision for future operating losses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of fulfilling its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

Provisions are made for undrawn loan commitments and similar facilities if it is probable that the facility will be drawn and result in the recognition of an asset at an amount less than the amount advanced.



● **2.17 Acceptances and letters of credit**

Acceptances and letters of credit are accounted for as off-balance sheet transactions and disclosed as contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events wholly within the control of the Bank as a result of past event which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation, or the amount cannot be reliably estimated.

● **2.18 Contingent assets and liabilities**

Contingent liability is defined as:

- a. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b. A present obligation that arises from past events but is not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are never recognized rather they are disclosed in the financial statements when an outflow of economic benefit is possible except when the outcome is considered to be remote. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystalise.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank. Contingent assets are never recognized rather they are disclosed in the financial statements when an outflow of economic benefit is probable.

● **2.19 Share capital**

Ordinary shares are classified as equity.

**Share issue costs**

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends on the Bank’s ordinary shares**

Dividends on the Bank’s ordinary shares are recognised in equity in the period in which they are approved by the Bank’s shareholders.





**Statutory reserves**

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.15(1) of the Banks and Other Financial Institution Act of 2020, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

**Regulatory risk reserve**

The regulatory risk reserves warehouses the difference between the impairment balance on loans and advances as determined in accordance with the provisions of Prudential guidelines of Central Bank of Nigeria when compared with the assessment in line with the requirement of IFRS 9 Expected Credit Loss model.

**Agri-business/Small and Medium Enterprises Investment Scheme (AGSMEIS)**

The Agri-Business/Small and Medium Enterprises Investment Scheme is an initiative of Banker's committee of Nigeria. The contributed funds is meant for supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. In line with this initiative, the Bank will contribute 5% of Profit After Tax yearly to the fund.

**Small and Medium Enterprises Equity Investment Scheme (SMEEIS)**

The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. However, this requirement is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable.

**2.20 Earnings/(loss) per share**

The Bank presents basic and diluted earnings/(loss) per share for its ordinary shares. Basic earnings/(loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

**2.21 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of borrowings are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



## ● 2.22 Collateral

The Bank obtains collateral where appropriate from customers to manage their credit risk exposures to the customers. The collateral normally takes the form of a lien over the customer's assets and gives the Bank a claim on the assets in the event that the customer defaults.

The Bank may also receive other credit instruments as collateral, such as borrowing contracts and derivative contracts in order to reduce their credit risk. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

## ● 2.23 Repossessed collateral

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at their fair value. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy and reported within "Asset held for sale".

## ● 2.24 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.





# Risk review





### ● 3.1 Overview

ProvidusBank commenced operations in June 2017 after being licensed by the Central Bank of Nigeria in May 2016. The licensing followed the recapitalisation of the legacy mortgage institution - United Mortgage limited that transited into a full fledged commercial bank. Generally, as a full fledged commercial bank, Providus Bank was exposed to a wide range of risks among which are credit, liquidity, strategic, compliance, market and operational risks. These have become more intense with the new normal which exposes the Bank to various cyber security challenges.

The new business scope necessitated the establishment of an Enterprise Risk Management framework to drive proactive risk identification, assessment, measurement and management of risks the organisation will be exposed to, and is designed to provide appropriate risk monitoring and assessment. The Risk Committees at both the Board and Management levels focus on risk governance and provide a strong forward-looking view of risks and their mitigation. Specific committees defined at the board level have responsibility for oversight and advice to the Board on, inter alia, the Bank's risk appetite, tolerance and strategy, systems of risk management, internal control and compliance. In carrying out its responsibilities, the various Risk Committees are closely supported by the Chief Risk Officer, together with other business functions within their respective areas of responsibility. Risk culture and governance have been entrenched in the Bank and serves as a tool to drive the Bank in decision taking. The Bank has also entrenched a comprehensive capital management process that enables it to appropriately align its strategies to consistent capital adequacy management. This is reflected in a robust and proactive Internal Capital Adequacy Assessment Process (ICAAP) which not only guarantees adequacy of capital for the level of risk it is currently exposed to but enables the Bank estimate capital buffer through consistent stress-test of internal and external business environments. In line with global standard, the Bank sets its risk tone from the top as this is central to its approach to balancing risk and reward. Risk ownership is entrenched at individual business and support units and reinforced by the Bank's values.

Providus Bank has an anonymous whistle blowing channel which enables independence of disclosures by staff on areas of concerns and it's strictly confidential. Risk management is communicated bank wide through policies and well documented processes. These are also complemented by mandatory trainings and seminars aimed at disseminating the Bank's risk philosophy across the Bank.



3.1 Risk organisation and governance

Providus Bank’s risk organisation and governance defines responsibility for risk management across all levels of authority. The Board of Directors, through its various committees, articulates the vision, sets the tone and provides strategic direction for the management of risk across the Bank. The Executive Management transforms the strategic direction and policies set by the Board into procedures and processes in order to enforce effective implementation and adherence. The Chief Risk Officer oversees the Enterprise Risk Management framework and provides detailed performance reports periodically to the various committees at the management and board levels. Separate frameworks are equally documented for different risk areas to guide implementation and effective risk identification, analysis, monitoring and control. The Risk Management function ensures approved risk appetite is cascaded bank wide and all limits (internal and regulatory) are enforced bank wide. These are strictly monitored at enterprise and business unit levels to ensure compliance.

The chart below describes Providus Bank’s risk organisation:



The Enterprise Risk Management is headed by the Chief Risk Officer who reports to the Board Risk Management Committee. The Chief Risk Officer has the primary responsibility for managing these risks on a day to day basis and maintains a consolidated and holistic view of the different risk types.

Providus Bank’s risk universe described in the above chart derive from the approved business strategy which is also reviewed year-on-year. This is supported by consistent comprehensive enterprise risk management framework for the proactive identification, assessment, measurement and management of these risks. The framework which has been approved by the board puts oversight responsibility in the Board of Directors while enforcement and compliance rests in the Chief Risk Officer.



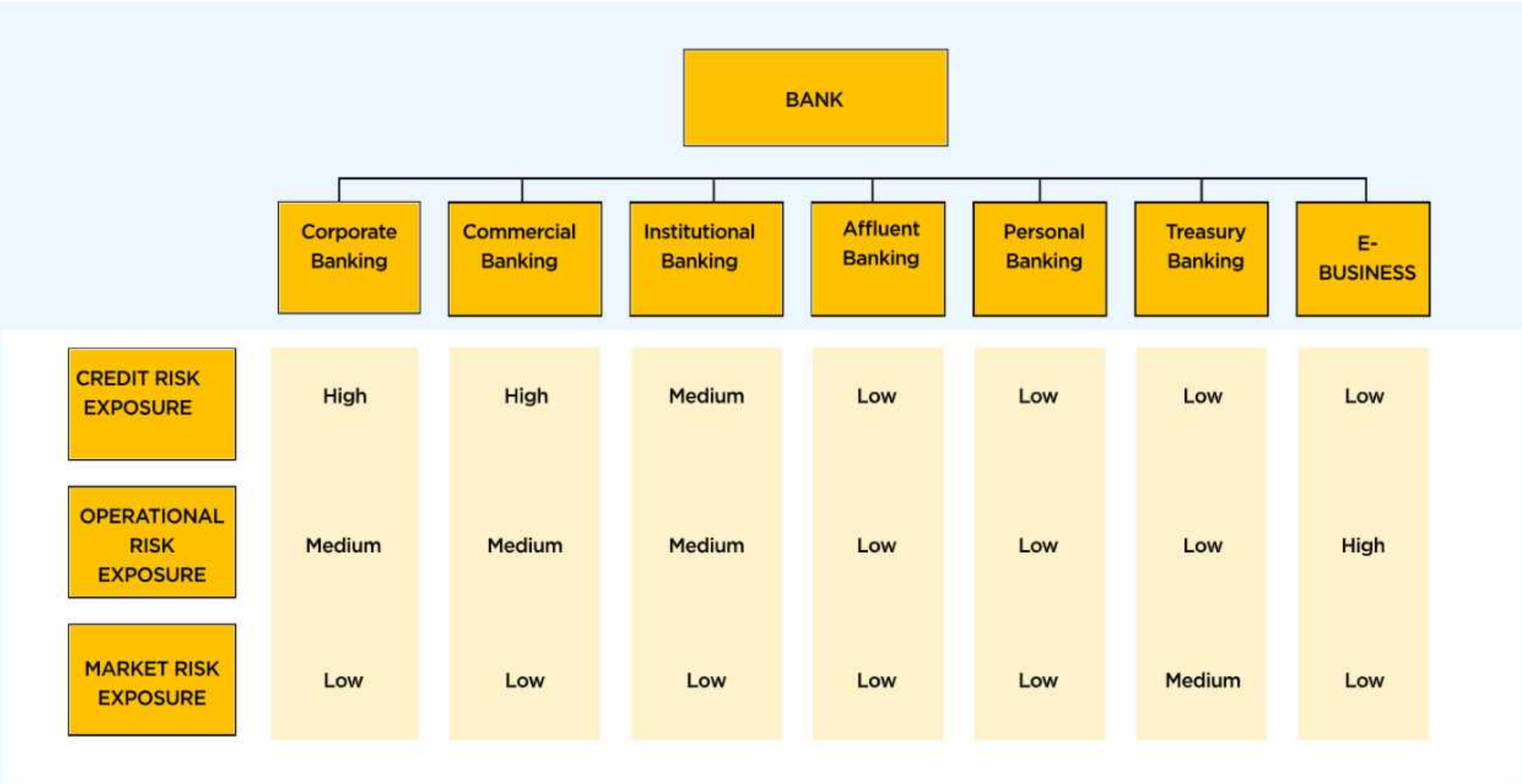
**Business units and risk exposures**

Providus Bank’s major risk exposures (at commencement) lies in Credit as derived from the core business activities of the legacy bank - United Mortgage Limited which centered largely on the medium to long term mortgage financing. However, this risk has been moderately managed through comprehensive and rigorous underwriting process that underscore the selection and prequalification process. Although Credit risk remains the Bank’s largest risk exposure, this is significantly mitigated by enhanced policies and procedures which focus on proactive portfolio diversification strategy, sound re-balancing and concentration management techniques. The expanded business scope and intended business strategy of the Bank warranted the definition of acceptable risk appetite across the enterprise. For instance, enhanced focus was placed on the Treasury Services in view of the Bank’s take-off strategy which was aimed at a careful assessment of the different business sectors geared towards quality risk asset creation. Various risk mitigation and management action triggers included the predefined limits at Products, Counterparty and Dealer levels. The Bank (at commencement) emphasised restricted focus on Federal Government traded debt instruments which have significantly low risk while gradually growing its risk asset portfolio. Over the years however, ProvidusBank has created significant impact in the economic growth and development of Nigeria through deliberate lending across different sectors of the economy. Major areas of focus include sectors like Manufacturing, General Commerce, Domestic Trade, Real Estate, Finance and Insurance, Oil and Gas and Agriculture among others. About 10% of the bank’s loan portfolio (approximately N200 billion) were direct lending to Small and Medium Enterprises (SMEs) under a ringfenced financing scheme. This was about 150% above the position in December 2024. This spread across various sectors and continues to grow as the bank strategically register its presence across major markets.





The chart below highlights business units and their respective risk exposures:



Lines of defense for risk management

Impairment charge on other asset

(i) Oversight function by the Board of Directors and Executive Management and the primary responsibility of the business lines and process owners within the Bank for establishing an appropriate risk and control environment in order to align risk management with business objectives.

(ii) Independent control function over the business processes and related risks to ensure that the business and process owners operate within defined appetite and approved policies and procedures. It is provided by functions such as risk management, internal control, compliance, and finance. These departments develop policies and procedures, risk management processes and controls, monitor and report on risks accordingly for prompt decision making.

(iii) Independent assurance to the Board of Directors on the effective implementation of the risk management framework and validates the risk measurement processes. There are two complementary parts to this - the internal and external audit





Lines of defensefor risk management is represented graphically below:



First line of defense

The first line of defense comprises of the Board, Management and the Business line areas. The overall responsibility for the performance of the bank rests with the board hence it systematically and carefully takes on risks in line with the bank’s pre-approved risk appetite. All transactions considered by the board are subjected to the bank’s standard rigorousunderwriting process to ensure they comply with the approved policies and procedures. This enhances transparency and arms length decisions in compliance with the Nigerian Code of Corporate Governance.

Since the board does not undertake day to day activities within the bank, its roles are somewhat delegated to the senior management who are responsible for the budget performance. The senior management also ensures adherence with the established standards and frameworks in its daily activities. Hard limits are defined for credit approvals by the management to uphold the sound combined experience resident among the senior management team. The Risk Management Committee through the Chief Risk Officer provides effective support to ensure that risk taking aligns fully with the bank’s risk appetite.

The Business line areas have the first line risk ownership with their risk consciousness demonstrated at the selection and on-boarding stages. This facilitates detailed risk identification and assessment in order to protect the Bank from avoidable losses. The business areas also document the Risk Control Self Assessmentwithin an half-yearly frequency. This process enablesRisk Management to evaluate residualrisks for proactiveresolution and enhancement of existing controls. Key Risk Indicators are designed for all business units to prevent avoidable risk from crystalising against the Bank. An Operational risk committee is designed to monitor adherence to the existing controls as well as incidences of crystalised indicators.

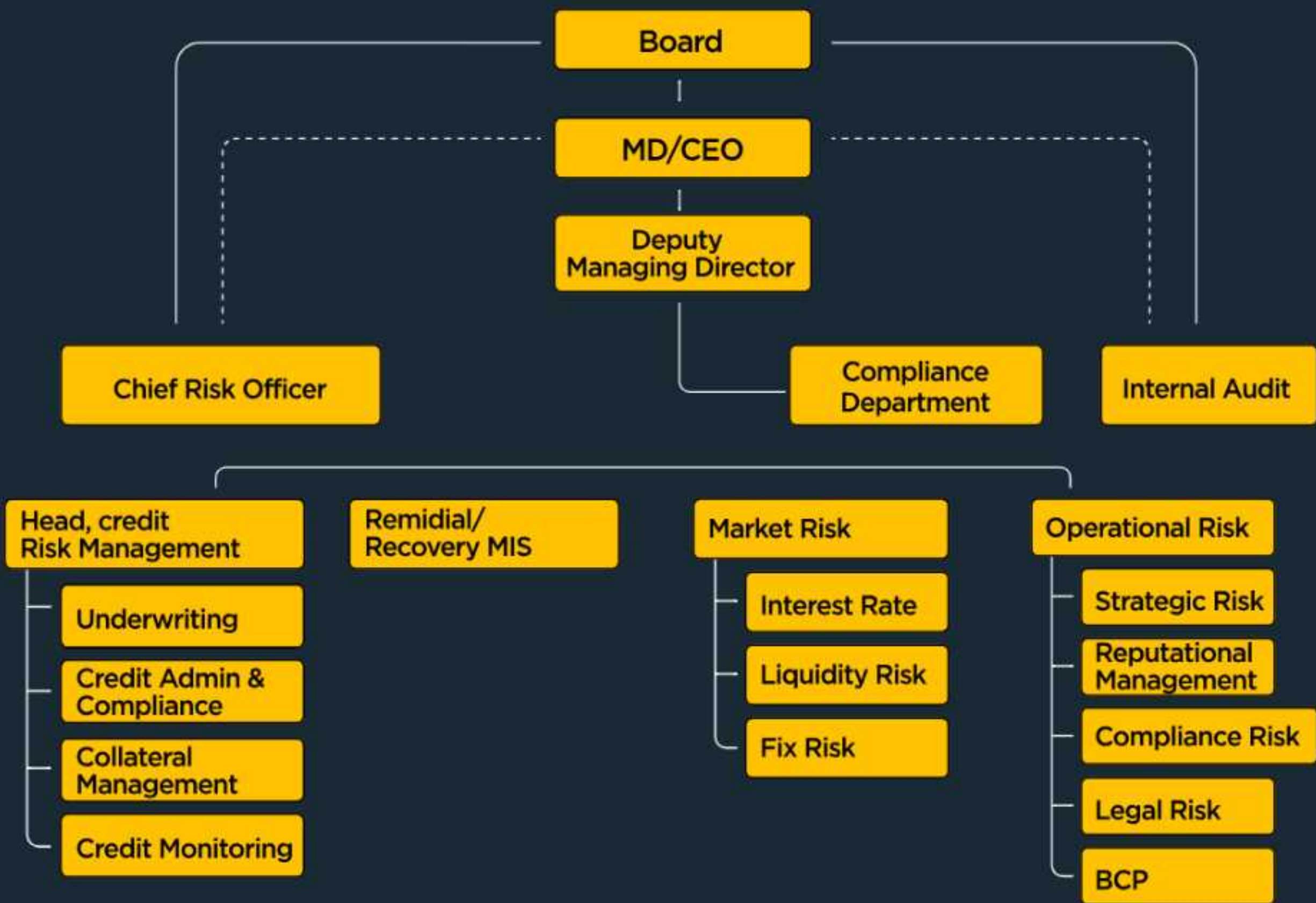


Second line of defense

The second line of defense comprises of Risk Management, Internal Control and Compliance functions. The Risk Management function designs policies and cascade approved limits and appetites. These are enforced bank wide to drive effective risk culture geared towards attaining approved strategies. Internalcontrol and compliance teams work hand-in-hand and are directly responsible for enforcing and confirming compliance with the bank wide policies, procedures and overall business processes. It conducts routine control checks and highlight observed gaps for effective management actions. The Compliance team ensures the bank fully complies with all regulatory requirements such as KYC, Anti-Money Laundering (AML) regulations and indeed all requirements of the Central Bank of Nigeria (CBN) and other regulatory authoritiesuch as Nigerian Deposit Insurance Corporation (NDIC) among others.

The structure of Risk Management has improved significantly to effectively positionthe Bank for sound risk management practices. Providus Bank now has a diversified risk structure that guarantees strong oversight for all risks that the Bank may be exposed to at every point in time. Risk identification, quantification, assessment and monitoring follow very granular process to foster comprehensive risk analysis and management. For instance, all obligorsare rated throughdedicated risk rating model which emphasize both qualitative and quantitative criteria. The factors are weighted to produce specific score which is mapped to identified rating grade. The Bankdefines proxy Probability of Default (PD) estimates for eachrisk grade which is validatedafter 12 months period through comprehensive back-testing methodology. The model validation tests the correlation of PD to the corresponding risk grade and may spur model re-calibration (where warranted). The rating model also enables the Bank to determine the Loss Given Default (LGD) based on the collateral type. Both the PD and the LGD are mapped to produce the Expected Credit Loss (ECL) whichdovetails into the Bank’s risk-based Pricing model. In compliance with regulatory requirements, our bank transited and fully implemented IFRS 9 - impairment model in January 2018. An Impairment assessmentmodel was designed along 12 monthsand lifetime Probability of Default (PD) to test for the portfolio staging throughout the lifetime of a facility. With the implementation in January 2018, the bank complies fully with the transition guidelines defined by the CBN

The structure of risk management is as shown below: .



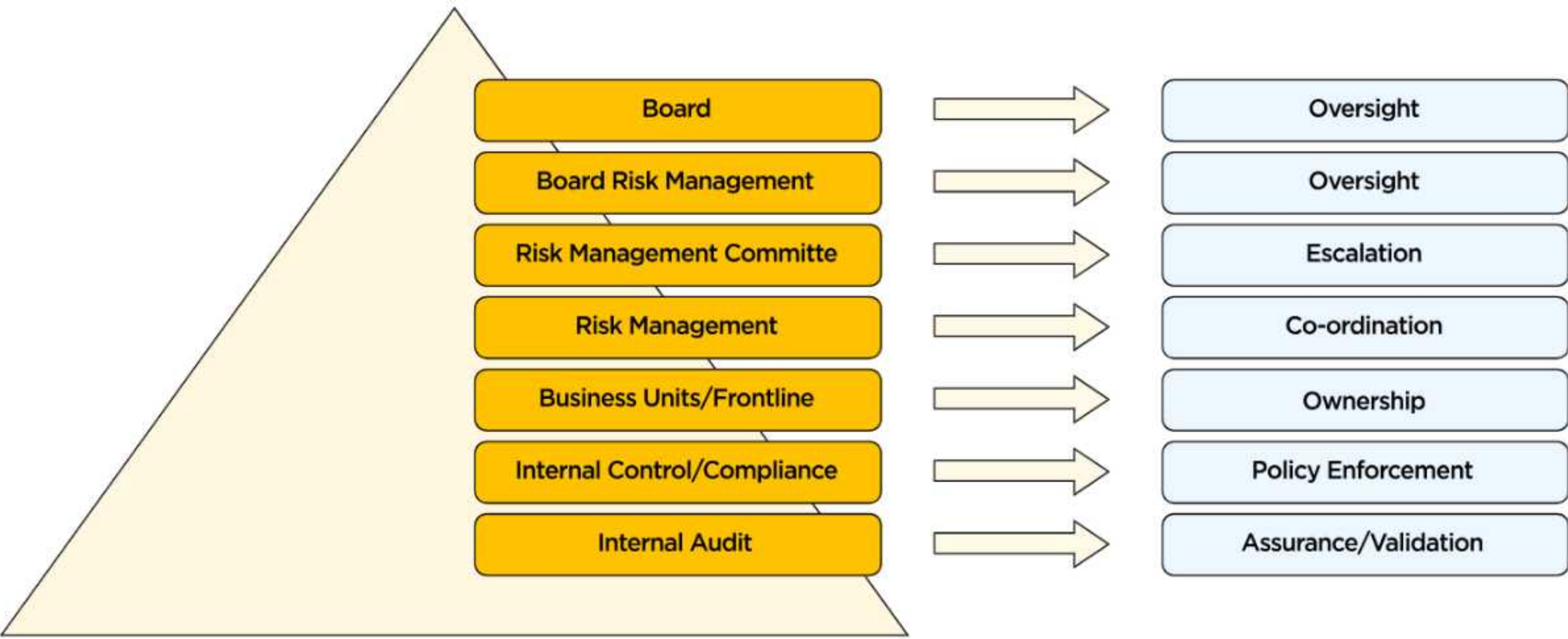


Third line of defense

These are independent functions that provide assurance to the Bank on its enterprise risk management. The Internal Audit is responsible for periodic gap assessment of policies and procedures with a view to escalating exceptions to the Board Audit Committee. Additionally, external auditors appointed by the board ensures regulatory guidelines and procedures are observed by providing assurances to the board of directors at every audit frequency. External Auditors apart from establishing the true and fair position of the Bank’s financial position also assess the quality of internal controls through their audit activities and recommendations for necessary improvement. This has significant impact on the Bank’s processes, governance and control.

The Enterprise Risk Management describes the governance of the Bank’s risk universe with the Chief Risk Officer providing required coordination of all the risks exposed to by the Bank and reports to the Board Risk Management Committee. The Compliance Unit however reports to the Executive Director who has the responsibility for compliance activities within the Bank. The third line of defense is the organ of assurance which evaluates at different intervals, the activities of both the first and second lines of defense. The Internal Audit which reports to the Board Audit Committee plays significant role in the assurance area. This promotes independence and allows for effective validation of business performance. The banks also engages external professionals to conduct assurance audit in order to identify and resolve any observed gaps. The chart below shows the Providus Bank’s risk governance pyramid:

The risk governance pyramid:



The advent of COVID 19 during the 2020 financial year changed the Bank’s working practice. The ‘New Normal’ compels the Bank to focus on new areas of vulnerability and strengthen the controls. Business continuity principles were entrenched across the Bank while governance processes were enhanced. The Bank’s enterprise risk management technique is summarised in the chart below:



The enterprise risk management organogram:



Risk management strategies and objectives

The overall business strategy of the Bank revolves around present and future practices, policies and projections that would increase earnings. The risk strategies however provide quantitative and qualitative guidance to maximize returns while minimising risks. These strategies align well with the Bank’s risk appetite framework and measures. The strategies and principles used include:

- Placing emphasis on diversity, quality, and stability of earning after thorough risk assessment
- Leveraging on competitive advantages with focus on core businesses
- Ability to quantify to a very large extent all material risks faced by the bank
- Set up and enforce methodologies for sound capital management
- Making disciplined and selective strategic investments

Risk management objectives

The Bank’s risk management objectives include:

- Identify material risks to the Bank and ensure that business activities and plans are consistent with its risk appetite.
- Ensure compliance with policies and procedures as well as adhere to corporate governance standards
- Understand the full range of risks facing the Bank and evaluate the strategies to minimize risks
- Enhance returns by ensuring that the Bank’s products and services are priced commensurately
- Ensure that business growth plans are properly supported by effective risk infrastructure and capital.
- Improve the control and co-ordination of risk taking across the enterprise



3.1 Stress testing and capital management

The Bank has designed a comprehensive road map (approved by the board) for the implementation of the enterprise risk management. The roadmap defines series of initiatives required to rightly position it for effective risk management. For instance, the Bank designs sound capital planning strategy through a robust Internal Capital Adequacy Assessment Process (ICAAP) conducted annually. The process enables the Bank align its capital requirement with business strategies thus assessing required capital buffer to match its business strategies. Appropriate Management Action Triggers (MAT) are designed to ensure proactive steps are in place for efficient capital management. Both the Pillar I and Pillar II risks are comprehensively assessed under realistic assumptions to guide against unwarranted capital gaps in the course of the year. This also provides an enduring process and risk culture for consistently assessing capital buffer required to meet future business strategies. The ICAAP is complemented by robust Stress Testing methodology which focus on Plausible, Mild and Severe scenarios. It embeds the impact on internal and external environment on factors that could impede the Bank’s capital and earnings. This also sensitizes the Bank for proactive measures required to mitigate such incidences. The Bank has equally designed the Capital Management framework as well as robust Contingency Funding plan to ensure it is adequately positioned for its business obligations. All the risk initiatives are focused at ensuring preservation of the Bank’s capital and earnings.

Risk appetite

The Bank’s risk appetite is defined across qualitative and quantitative thresholds for different risk areas. This allows for effective proactive risk assessment and measurement. Qualitative risk appetite statement is set by the board but cascaded at different risk levels through limits, tolerance and risk indicators. The limits are monitored at Green, Amber and Red thresholds and actual performance is measured proactively to prevent risks from crystalising against the Bank. This provides a granular methodology for tracking compliance with the overall enterprise risk management framework and supports the Bank’s objectives of maximizing its earnings and shareholders value. In recognising the level of risks the Bank is now exposed to and in view of the expanded business scope, Providus Bank exhibits a “moderate” appetite for risk. This is reflective in the conservative limits set at sector, product, portfolio and transaction levels. For instance, all credit requests are approved at management or board committee levels based on specific limit. This enables the Bank set strong risk management culture across the Bank.

Risk appetite definition approach

| RISK ELEMENT    | RISK APPETITE DEFINITION APPROACH |                                  |
|-----------------|-----------------------------------|----------------------------------|
|                 | QUALITATIVE                       | QUANTITATIVE-KEY RISK INDICATORS |
| Enterprise risk | Ü                                 | Ü                                |
| Credit risk     | -                                 | Ü                                |
| Market risk     | -                                 | Ü                                |



| RISK ELEMENT       | RISK APPETITE DEFINITION APPROACH |                                  |
|--------------------|-----------------------------------|----------------------------------|
|                    | QUALITATIVE                       | QUANTITATIVE-KEY RISK INDICATORS |
| Liquidity risk     | -                                 | Ü                                |
| Legal risk         | Ü                                 | Ü                                |
| Strategic risk     | Ü                                 | Ü                                |
| Cybersecurity Risk | Ü                                 | Ü                                |
| Compliance risk    | Ü                                 | Ü                                |

Providus Bank’s risk appetite is as shown below:

| KEY RISK AREA   | DEFINITION                                | RISK APPETITE                                                              | TOLERANCE                                                                                               |
|-----------------|-------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Enterprise risk | Bank rating                               | Minimum Bank rating of BBB+                                                | Bank’s rating shall not fall below BBB-                                                                 |
|                 | Composite risk rating                     | Moderate risk                                                              | Above average                                                                                           |
|                 | Capital adequacy                          | Minimum capital adequacy ratio (CAR) of 12%                                | Capital adequacy ratio (CAR) not lower than 11%                                                         |
|                 | Deviation from profit before tax (PBT)    | Maximum of 7.5% deviation from profit before tax (PBT)                     | Not more than 10% deviation from profit before tax (PBT)                                                |
| Credit risk     | Criticised Assets                         | Maximum non-performing loan of 3%                                          | Non-performing loan (NPL) will not exceed 5%                                                            |
|                 | Cost of Risk                              | Maximum cost of risk of 2%                                                 | Cost of risk will not exceed 3%                                                                         |
|                 | Single Obligor                            | Maximum of 18% of shareholder fund (SHF)                                   | Regulatory Limit of 20% of shareholders fund (SHF)                                                      |
|                 | Aggregate Large Exposure                  | Maximum of 600% of shareholders fund                                       | Regulatory Limit of 800% of shareholders fund (SHF)                                                     |
|                 | WaRR                                      | B+                                                                         | B                                                                                                       |
|                 | Sector Concentration                      | 20% at sub-sector level excluding Public Sector which is set at 10% by CBN | Regulatory Limit of 10% of total loan book for Public Sector and 20% for others (including sub-sectors) |
|                 | Unsecured exposures                       | 100% of total exposure must be secured                                     | Minimum of 90% of total exposure must be secured                                                        |
|                 | Single employer limit                     | Maximum of 4% of personal portfolio                                        | Single employer Limit shall not exceed 5% of 'Personal' portfolio                                       |
|                 | Single employer non-performing loan (NPL) | Maximum of 3% of consumer exposure                                         | Single employernon-performing loan (NPL) shall not exceed 5% of consumer portfolio                      |
| Market risk     | Net Interest Margin (NIM)                 | Minimum NIM of 7.5%                                                        | NIM will not be below 6.5%                                                                              |
|                 | Low Cost Deposit                          | Low cost deposit as a percentage of total deposit is 75%                   | Low cost deposit should not be less than 70% of total deposit                                           |
|                 | IRR Trading Limit                         | IRR Trading Limits (Fixed Income) = 1% of SHF                              | IRR Trading Limits (Fixed Income) is 1.2% of shareholders fund                                          |
|                 | Aggregate IRR                             | IRR Ratio = Aggregate interest rate risk of 1.5% of SHF                    | IRR Ratio = Aggregate interest rate risk of 2% of SHF                                                   |



| KEY RISK AREA    | DEFINITION                      | RISK APPETITE                                                                | TOLERANCE                                                                             |
|------------------|---------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Market risk      | Trading Stop Loss Limit         | Trading Stop Loss Limit = N7.5m on portfolio (for both FX and Fixed)         | Trading Stop Loss Limit = N7m on portfolio (for both FX and Fixed Income)             |
|                  | Net Open Position               | Foreign Currency Net Open Position Limits = 0.75% of SHF                     | Regulatory Limit of 1% of SHF                                                         |
|                  | Foreign Borrowing Limit         | Maximum Limit of 100% of SHF                                                 | Regulatory Limit of 125% of SHF                                                       |
| Liquidity risk   | Liquidity ratio                 | Liquidity Ratio of 35%                                                       | Regulatory ratio of 32%                                                               |
|                  | Funding Gap                     | Maximum funding gap of 7.5% of Total Liabilities                             | Maximum funding gap of 10% of total liabilities                                       |
| Operational risk | Oprisk Loss Hedged by Insurance | 0.0% of Gross Income                                                         | 0.1% of Gross Income                                                                  |
|                  | Other Operational Risk Losses   | Total Operational Risk Losses as a % of Gross Income should not exceed 0.23% | Total Operational Risk Losses as a percentage of Gross Income should not exceed 0.23% |
|                  | Fraud Losses                    | Total Fraud Losses as a % of Gross Income should not exceed 0.05%            | Total Fraud Losses as a % of Gross Income should not exceed 0.065%                    |

Performance report is presented to the Risk Management Committee monthly to assess compliance with the risk appetite and limits. This may warrant policy changes on portfolio re-balancing among others. The Board Risk Management committee sits quarterly to assess compliance level.

Measuring the Expected Credit Loss (ECL)

Definition of default

The Bank defines default as an event that leads to a detrimental impact on the estimated future cash flows of the financial asset. The Bank considers the following as constituting an event of default; the borrower is past due more than 90 days on any material credit obligation to the Bank; or the borrower is unlikely to pay its credit obligations to the Bank in full.

Determining ECL

Providus Bank recognises an allowance depending on whether there has been a significant increase in credit risk since initial recognition or the financial asset was credit-impaired on initial recognition. A key assessment is, therefore, whether a significant increase in the credit risk of a financial asset occurred between initial recognition and their relevant reporting date. The guiding principle of the Expected Credit Loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial assets. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk. The bank’s assessment of the Expected Credit Loss is driven by the following:

- 12-month ECLs (Stage 1), which applies to all financial assets (from initial recognition) that have not experienced a significant increase in credit risk; and
- Lifetime ECLs, which applies when a significant increase in credit risk has occurred on an individual or collective basis (Stage 2) or when there is an objective evidence of impairment (stage 3), as a result of one or more events that occurred before or after the initial recognition of the financial asset.



The Bank maintains very strong governance structure on its ECL framework with the board having the oversight role which it enforces through the Board Risk Management Committee. The framework also ensures effective model performance review by both the Internal Control and Audit to ensure consistency in the default assessment. Of course, the model also recognises the market dynamics by validating the default with the changes in the relevant macro-economic factors.

The Bank considers the following quantitative and qualitative variables in the determination of Significant Increase in Credit Risk (SICR):

- i. Changes in the Obligor’s risk rating either within or outside a rating bank
- ii. Absolute or relative changes in the Obligor’s PD
- iii. Evidence of restructure or forbearance
- iv. Days Past Due

● **3.2 Credit risk**  
**Credit risk management**

Credit risk arises where an obligor/counterparty fails to perform in accordance with agreed terms or where the counterparty’s ability to meet such contractual obligation is impaired.

Lending forms the core business of the Bank and in recognition of this, great emphasis is placed on effective management of its exposure to credit risk. The Bank drives the credit risk management processes using appropriate scalable technology to achieve global best practices. It also emphasises strong competences and experience in its manning process for Risk Management.

Credit risk identification commences from the Bank’s selection strategies which ensures critical analysis of target markets and segments. Products development is interfaced with approved appetite to ensure adequate risk assessment and control. The Bank predefines acceptable sectors and industries based on comprehensive parameters that focus on historical performance and future outlook. These underguards the limit definition for each sector across product and portfolio. Risk identification is supported by intensive credit underwriting which ensures risk quantification at obligor and facility levels. Both quantitative and qualitative criteria are evaluated to assess the risk of each obligor in order to ensure adequate congruence with the Weighted Average Risk Rating (WaRR) threshold set by the board. The comprehensive underwriting process enables the Bank to proactively assess the Probability of Default, Loss Given Default as well as the expected loss for each transaction and obligor. This is conducted through a rating model specifically designed for the SME and emerging corporate segments in line with the Bank’s business focus. The rating model is linked to a 21 grade grid which is mapped to proxy PDs using the comparative rating scale of Fitch, S&P and Moody’s KMV. This enables the Bank to institute an enduring credit data gathering process and build reliable internal model that not only reflects the business environment but the bank’s specific experience. The deployment and use of model will however continue to be supported by strong expert judgement and governance. Providus Bank’s 21 grade grid is as shown below:



| COMPARATIVE RATING GRID: MOODY'S S & P, AND FITCH |       |       |         | PROVIDUS BANK |              |
|---------------------------------------------------|-------|-------|---------|---------------|--------------|
| MOODY'S                                           | S & P | FITCH | PD      | GRADE         | COUNTERPARTY |
| Aaa                                               | AAA   | AAA   | 0.02%   | AAA           | A            |
| Aa1                                               | AA+   | AA+   | 0.03%   | AA            | A            |
| Aa2                                               | AA    | AA    | 0.05%   | AA-           | A            |
| Aa3                                               | AA-   | AA-   | 0.09%   | A+            | A            |
| A1                                                | A+    | A+    | 0.14%   | A             | A            |
| A2                                                | A     | A     | 0.18%   | A-            | A            |
| A3                                                | A-    | A-    | 0.22%   | BBB+          | A            |
| Baa1                                              | BBB+  | BBB+  | 0.28%   | BBB           | A            |
| Baa2                                              | BBB   | BBB   | 0.43%   | BBB-          | A            |
| Baa3                                              | BBB-  | BBB-  | 0.66%   | BB+           | B            |
| Ba1                                               | BB+   | BB+   | 1.10%   | BB            | B            |
| Ba2                                               | BB    | BB    | 1.65%   | BB-           | B            |
| Ba3                                               | BB-   | BB-   | 2.48%   | CCC+          | C            |
| B1                                                | B+    | B+    | 3.71%   | CCC           | C            |
| B2                                                | B     | B     | 5.57%   | CCC-          | C            |
| B3                                                | B-    | B-    | 8.35%   | CC+           | C            |
| Caa1                                              | CCC+  | CCC   | 10.20%  | CC            | N/A          |
| Caa2                                              | CCC   | CCC   | 13.80%  | CC-           | N/A          |
| Caa3                                              | CCC-  | CCC   | 100.00% | C+            | N/A          |
|                                                   | CC    | CCC   | N/A     | C             | N/A          |
| Ca                                                | C     | CCC   | N/A     | C-            | N/A          |
| C                                                 | D     | DDD   | N/A     | N/A           | N/A          |
| N/A                                               | N/A   | DD    | N/A     | N/A           | N/A          |
| N/A                                               | N/A   | D     | N/A     | N/A           | N/A          |

The Bank adopts a predictive loan monitoring process designed to drive early warning signals that foster preventive rather than reactive steps. Imminent maturing obligations are rolled out to relationship managers 14 days before such obligations fall due to stimulate follow up and adequate funding for repayment. This consistently enhances the portfolio quality and credit risk ownership among the front line officers. The Portfolio monitoring activities also include detailed Management Information System (MIS) at management and board levels. This facilitates prompt decision at various levels especially in relation to the approved framework.

Credit approval limits

The credit approval is restricted to the credit committees at Board and Management levels as shown below

| Approval levels                                          | Obligor limits                                                                |
|----------------------------------------------------------|-------------------------------------------------------------------------------|
| Full Board                                               | All requests of above 18% of Shareholders fund (SHF) unpaid by losses.        |
| Board Credit and Investment Committee                    | All requests of above ₦2.5 billion but capped at 18% of SHF unpaid by losses. |
| Management Credit and Investment Committee               | Requests above ₦1 billion but up to ₦2.5 billion                              |
| Managing Director/CEO                                    | Up to ₦1 billion                                                              |
| Deputy Managing Director (DMD) + Executive Director (ED) | Up to ₦500 million                                                            |
| Deputy Managing Director (DMD)                           | Up to ₦350 million                                                            |
| Executive Director (ED)                                  | Up to ₦250 million                                                            |



Collateral policies

The Bank has put in place a comprehensive collateral risk management framework that defines acceptable collateral and haircuts. The framework covers parameters for testing eligibility, adequacy, coverage, quality realisability and of collaterals used as mitigants for credit exposures. This ensures that the Bank has strong fall-back position for all classes of its assets. The collateral framework provides guidelines for mark-to-market and the application of haircuts by collateral type and location, this is also embedded in the Facility Risk Rating model. The grid below shows the bank’s acceptable collateral mapped to coverage and haircut percentage.

| S/N | COLLATERAL TYPE                                   | COLLATERAL COVERAGE | % HAIRCUT |
|-----|---------------------------------------------------|---------------------|-----------|
| 1   | Cash                                              | 125%                | 0%        |
| 2   | Treasury Bills and Government Securities (FGN     | 125%                | 0%        |
| 3   | Financial Guarantees of acceptable counterparties | 125%                | 20%       |
| 4   | Receivables of Companies rated BB- and above      | 142%                | 20%       |
| 5   | Traded Commodities                                | 200%                | 20%       |
| 6   | Stock & Shares of blue chip companies             | 200%                | 20%       |
| 7   | Residential Legal Mortgage                        | 150%                | 50%       |
| 8   | Commercial Legal Mortgage                         | 150%                | 50%       |
| 9   | Debentures                                        | 150%                | 50%       |

Mark-to-market and revaluation frequencies is defined along collateral types as follows:

| S/N | COLLATERAL TYPE                    | COLLATERAL COVERAGE                                                                  |
|-----|------------------------------------|--------------------------------------------------------------------------------------|
| 1   | Properties with registrable titles | 2 years with yearly update by designated valuer                                      |
| 2   | Leased Assets                      | Annual                                                                               |
| 3   | Debentures                         | Annual                                                                               |
| 4   | Shares                             | Daily                                                                                |
| 5   | Commodities                        | Daily                                                                                |
| 6   | Stock                              | Monthly                                                                              |
| 7   | Cash                               | N/A (Would be considered daily for volatility where denominated in foreign currency) |
| 8   | Treasury Bills                     | Daily                                                                                |
| 9   | Fixed Income Instruments           | Daily                                                                                |
| 10  | Other Forms of Collateral          | As applicable                                                                        |

Write-off policy

Write-off decisions are carefully scrutinised and tested against borrower’s current and future cashflows to ascertain weaknesses that may warrant either partial or full write-off. Actual Write-off experience would be validated with the estimated Loss Given Defaults to further tweak the collateral management policy and the haircut thresholds. The bank shall (as part of foreclosure process) fall back on collaterals through realisation in order to reduce the loss experience on its exposures. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier. Subsequent recoveries of amounts previously written off are credited to the profit or loss within other income.

Maximum exposure to credit risk before collateral held or credit enhancements

The Bank’s maximum exposure to credit risk at 31 December 2025 and 31 December 2024 respectively is represented by the gross amounts of the financial assets in the statement of financial position.



Credit risk maximum exposure relating to on-balance sheet

|                                                   | NOTE | 31 DECEMBER 2025<br>#’000 | 31 DECEMBER 2024<br>#’000 |
|---------------------------------------------------|------|---------------------------|---------------------------|
| Cash and bank balances                            | 16   | 10,064,330                | 3,527,041                 |
| Due from other financial institutions             | 17   | 1,070,655,008             | 530,219,196               |
| Financial asset at fair value                     | 18   | 477,175,026               | 117,627,271               |
| Financial assets at amortised cost                | 20   | 486,036,963               | 289,695,271               |
| Cash reserve balance with Central Bank of Nigeria | 21   | 669,289,252               | 579,614,616               |
| Other financial assets                            | 22   | 166,646,499               | 121,820,186               |
| Loans and advances at amortised cost:             |      |                           |                           |
| Term loans                                        | 19   | 664,113,434               | 623,572,614               |
| Overdraft                                         | 19   | 296,728,536               | 177,254,613               |
|                                                   | -    | 960,841,970               | 800,827,227               |
|                                                   |      | 3,840,709,048             | 2,443,330,808             |

The table above shows a worst-case scenario of credit risk exposure to the Bank as at 31 December 2025 and 31 December 2024 without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on amounts reported in the statement of financial position.

Maximum credit risk exposure on financial assets held at fair value through profit or loss excludes equity investments.

Credit exposure relating to off-balance sheet items

|                      | NOTE | 31 DECEMBER 2025<br>#’000 | 31 DECEMBER 2024<br>#’000 |
|----------------------|------|---------------------------|---------------------------|
| Bonds and guarantees | -    | 409,642,183               | 215,453,301               |
| Letters of credit    | -    | 342,175,028               | 128,417,126               |
|                      | -    | 751,817,211               | 343,870,427               |

Credit quality of financial assets

The following tables set out information about the credit quality of financial assets measured at amortised cost, lease receivables and FVOCI debt investments without taking into account collateral or other credit enhancement. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.



The Bank uses the following description to indicate the credit quality of financial assets:

| SN | Internal rating band | Grade band  | Description                                                                                                                                     |
|----|----------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Extremely low risk   | A+ to AAA   | Highest asset quality. Asset will be recovered in full. Risk of loss is remote                                                                  |
| 2  | Very low risk        | BBB- to A   | Superior asset quality. Asset will be recovered in full. Risk of loss is remote.                                                                |
| 3  | Low risk             | B- to BB+   | Asset quality is reliable, but with considerable risk. Risk of loss is doubtful.                                                                |
| 4  | Acceptable risk      | CC+ to CCC+ | The quality of the Asset is acceptable with some potential weakness. While the asset is currently protected, it is considered potentially weak. |
| 5  | Moderately high risk | CC- to CC   | Asset quality is unreliable with strong tendency for failure/loss. Imminent weakness with slim chance of survival.                              |
| 6  | High risk            | C to C+     | Asset recovery is of concern. The risk of loss is imminent and pronounced.                                                                      |
| 7  | Extremely High risk  | C-          | Asset recovery is of great concern. The risk of loss is more imminent and pronounced                                                            |

The Bank uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative. The table below summarises per type of asset the range above which an increase in lifetime PD is determined to be significant, as well as some indicative qualitative indicators assessed.

| CREDIT QUALITY OF ON-BALANCE SHEET ITEMS | 31 DECEMBER 2025   |               |             |                 |                      |                                |                                 |
|------------------------------------------|--------------------|---------------|-------------|-----------------|----------------------|--------------------------------|---------------------------------|
|                                          | Extremely low risk | Very low risk | Low risk    | Acceptable Risk | Moderately High Risk | High Risk/ Extremely High Risk | Maximum exposure to credit risk |
|                                          | N'000              | N'000         | N'000       | N'000           | N'000                | N'000                          | N'000                           |
| Cash and bank balances                   | -                  | -             | 29,992,109  | 19,969,681      | -                    | -                              | 49,961,790                      |
| Due from other financial institution     | 31,127,511         | 55,063,446    | 24,720,000  | 960,669,658     | -                    | -                              | 1,071,580,616                   |
| Financial assets at fair value           | -                  | -             | -           | 477,175,026     | -                    | -                              | 477,175,026                     |
| Financial assets at amortised cost       | -                  | -             | -           | 486,036,963     | -                    | -                              | 486,036,963                     |
| Due from other financial institution     | -                  | -             | -           | 669,289,252     | -                    | -                              | 669,289,252                     |
| Other financial assets                   | -                  | -             | -           | 166,646,499     | -                    | -                              | 166,646,499                     |
| Loans and advances at amortised cost:    | -                  | -             | -           | -               | -                    | -                              | -                               |
| Term loans                               | -                  | 5,130,442     | 478,770,313 | 180,179,486     | 33,193               | -                              | 664,113,434                     |
| Overdraft                                | -                  | 5,098,410     | 243,839,203 | 47,790,923      | -                    | -                              | 296,728,536                     |
|                                          | 31,127,511         | 65,292,298    | 777,321,625 | 3,007,757,488   | 33,193               | -                              | 3,881,532,116                   |



| CREDIT QUALITY OF ON-BALANCE SHEET ITEMS          | 31 DECEMBER 2024   |               |             |                 |                      |                                |                                 |
|---------------------------------------------------|--------------------|---------------|-------------|-----------------|----------------------|--------------------------------|---------------------------------|
|                                                   | Extremely low risk | Very low risk | Low risk    | Acceptable Risk | Moderately High Risk | High Risk/ Extremely High Risk | Maximum exposure to credit risk |
|                                                   | ₦'000              | ₦'000         | ₦'000       | ₦'000           | ₦'000                | ₦'000                          | ₦'000                           |
| Cash and bank balances                            | -                  | -             | 14,990,719  | 4,437,189       | -                    | -                              | 19,427,908                      |
| Due from other financial institution              | 7,971,929          | 19,134,053    | 148,914,195 | 354,199,018     | -                    | -                              | 530,219,195                     |
| Financial assets at fair value                    | -                  | -             | -           | 117,627,271     | -                    | -                              | 117,627,271                     |
| Financial assets at amortised cost                | -                  | -             | -           | 290,154,977     | -                    | -                              | 486,036,963                     |
| Cash reserve balance with Central Bank of Nigeria | -                  | -             | -           | 579,614,616     | -                    | -                              | 579,614,616                     |
| Other financial assets                            | -                  | -             | -           | 121,820,186     | -                    | -                              | 121,820,186                     |
| Loans and advances at amortised cost:             | -                  | -             | -           | -               | -                    | -                              | -                               |
| Term loans                                        | -                  | 8,914,926     | 478,165,170 | 135,799,034     | 693,484              | -                              | 623,572,614                     |
| Overdraft                                         | -                  | 1,900,962     | 131,379,365 | 43,970,007      | 4,280                | -                              | 177,254,613                     |
|                                                   | 7,971,929          | 29,949,940    | 773,449,450 | 1,647,622,298   | 697,764              | -                              | 2,459,691,381                   |

| CREDIT QUALITY OF OFF-BALANCE SHEET ITEMS | 31 DECEMBER 2025 |               |             |                 |                      |                                |                                 |
|-------------------------------------------|------------------|---------------|-------------|-----------------|----------------------|--------------------------------|---------------------------------|
|                                           |                  | Very low risk | Low risk    | Acceptable Risk | Moderately High Risk | High Risk/ Extremely High Risk | Maximum exposure to credit risk |
|                                           | -                | ₦'000         | ₦'000       | ₦'000           | ₦'000                | ₦'000                          | ₦'000                           |
| Bonds and Guarantees                      | -                | -             | 409,642,183 | -               | -                    | -                              | 409,642,183                     |
| Letters of credit                         | -                | -             | 342,175,028 | -               | -                    | -                              | 342,175,028                     |
|                                           | -                | -             | 751,817,211 | -               | -                    | -                              | 751,817,211                     |

| CREDIT QUALITY OF OFF-BALANCE SHEET ITEMS | 31 DECEMBER 2024 |               |             |                 |                      |                                |                                 |
|-------------------------------------------|------------------|---------------|-------------|-----------------|----------------------|--------------------------------|---------------------------------|
|                                           |                  | Very low risk | Low risk    | Acceptable Risk | Moderately High Risk | High Risk/ Extremely High Risk | Maximum exposure to credit risk |
|                                           | -                | ₦'000         | ₦'000       | ₦'000           | ₦'000                | ₦'000                          | ₦'000                           |
| Bonds and Guarantees                      | -                | -             | 215,453,301 | -               | -                    | -                              | 215,453,301                     |
| Letters of credit                         | -                | -             | 128,417,126 | -               | -                    | -                              | 128,417,126                     |
|                                           | -                | -             | 343,870,427 | -               | -                    | -                              | 343,870,427                     |



| LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST<br>31 DECEMBER 2025 | STAGE 1<br>N'000 | STAGE 2<br>N'000 | STAGE 2<br>N'000 | TOTAL<br>N'000 |
|-----------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| Grades A+ -AAA: Extremely Low Risk                                    | -                | -                | -                | -              |
| Grades BBB- A: Very Low risk                                          | 10,277,594       | -                | -                | 10,277,594     |
| Grades B--BB+: Low risk                                               | 604,459,431      | 83,180,075       | 47,452,498       | 735,092,004    |
| Grades CC+-CCC+: Acceptable Risk                                      | 175,603,702      | 23,960,276       | 35,563,901       | 235,127,879    |
| Grades CC--CC: Moderately High Risk                                   | 33,193           | -                | -                | 33,193         |
| Grades C--C-: High Risk/ Extremely High Risk                          | -                | -                | -                | -              |
| Total gross carrying amount                                           | 790,373,920      | 107,140,351      | 83,016,399       | 980,530,670    |
| Loss allowance                                                        | (6,924,391)      | (4,163,557)      | (8,600,752)      | (19,688,700)   |
| Carrying amount                                                       | 783,449,529      | 102,976,794      | 74,415,647       | 960,841,970    |

| LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST<br>31 DECEMBER 2024 | STAGE 1<br>N'000 | STAGE 2<br>N'000 | STAGE 2<br>N'000 | TOTAL<br>N'000 |
|-----------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| Grades A+ -AAA: Extremely Low Risk                                    | -                | -                | -                | -              |
| Grades BBB- A: Very Low risk                                          | 4,858,958        | 5,411,508        | 545,421          | 10,815,887     |
| Grades B--BB+: Low risk                                               | 483,915,608      | 106,497,779      | 45,324,111       | 635,737,498    |
| Grades CC+-CCC+: Acceptable Risk                                      | 136,455,153      | 11,480,422       | 31,833,466       | 179,769,041    |
| Grades CC--CC: Moderately High Risk                                   | 114,969          | -                | 582,795          | 697,764        |
| Grades C--C-: High Risk/ Extremely High Risk                          | -                | -                | -                | -              |
| Total gross carrying amount                                           | 625,344,688      | 123,389,709      | 78,285,793       | 827,020,190    |
| Loss allowance                                                        | (11,544,801)     | (4,175,781)      | (9,393,235)      | (25,113,817)   |
| Carrying amount                                                       | 613,799,887      | 119,213,928      | 68,892,558       | 801,906,373    |

| LOSS ALLOWANCE DISTRIBUTION         | 31 DECEMBER 2025       |            |             | 31 DECEMBER 2024       |            |             |
|-------------------------------------|------------------------|------------|-------------|------------------------|------------|-------------|
|                                     | Exposure<br>at default | Average PD | Average LGD | Exposure<br>at default | Average PD | Average LGD |
| Bank rating                         |                        |            |             |                        |            |             |
| Grades A+ -AAA: Extremely Low Risk  | -                      | -          | -           | -                      | -          | -           |
| Grades BBB- A: Very Low risk        | 10,277,594             | 0.14%      | 27.9%       | 10,815,887             | 0.1%       | 28.2%       |
| Grades B--BB+: Low risk             | 735,092,004            | 4.16%      | 47.0%       | 635,737,498            | 4.2%       | 56.2%       |
| Grades CC+-CCC+: Acceptable Risk    | 235,127,879            | 5.36%      | 61.4%       | 179,769,041            | 5.2%       | 64.9%       |
| Grades CC--CC: Moderately High Risk | 33,193                 | 11.34%     | 69.9%       | 697,764                | 11.1%      | 68.3%       |
| Grades CC--CC: Moderately High Risk | -                      | -          | -           | -                      | -          | -           |



The above distribution aligns with the Bank’s business strategy which is targeted at the SMEs, local and emerging corporates with limited presence among the large corporates. This recognises its focus on creating value for the underserved and to a large extent, the unbanked. A robust shared service initiative enables the Bank to address the significant ownership structure through deliberate success above distribution plan and gradually decentralized ownership structure. This enhances the obligor’s risk profile as well as the portfolio Weighted Average Risk Rating (WaRR).

| OTHER FINANCIAL ASSETS AT AMORTISED COST (ECL STAGES) |                  |                  |                  | YEAR ENDED          |                     |
|-------------------------------------------------------|------------------|------------------|------------------|---------------------|---------------------|
| CATEGORY                                              | STAGE 1<br>N'000 | STAGE 2<br>N'000 | STAGE 3<br>N'000 | 2025 TOTAL<br>N'000 | 2024 TOTAL<br>N'000 |
| Grades A-AAA: Very Low Risk                           |                  |                  |                  |                     |                     |
| Grades BB-BBB+: Low Risk                              | 488,340,293      |                  |                  | 488,340,293         | 290,154,977         |
| Total Gross Carrying Amount                           | 488,340,293      |                  |                  | 488,340,293         | 290,154,977         |
| Loss Allowance                                        | (2,303,330)      |                  |                  | (2,303,330)         | (459,706)           |
| Carrying Amount                                       | 486,036,963      |                  |                  | 486,036,963         | 289,695,271         |

Credit risk concentration

Concentration risk refers to the risk arising from an uneven distribution of counterparties within a credit portfolio or from concentration in sectors, geographical locations etc. which poses a potential threat to the solvency of the counterparty.

The Bank recognizes that concentration risk may exist among loans, which though may have been prudently underwritten, are collectively sensitive to the same economic and financial or business development events, such that a negative development affecting these factors may cause loans to perform as if it were a single, large exposure.

The Bank complies fully with all regulatory portfolio concentration limits as determined by the CBN. The Bank sets internal thresholds, which are more conservative than the regulatory limits and this acts as a buffer to ensure compliance. In addition to regulatory limits, the Bank uses risk-based measurement systems to define a variety of concentration thresholds for its credit portfolio. These include; sectors, geographical locations, strategic business units etc.

The Bank employs its management information system in monitoring these limits and remedial actions are set in motion at determined thresholds.

IFRS 7 requires disclosures about concentrations of credit risk. Concentration of credit risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. This information has been provided along geographical areas and economic sectors.



Industry sectors

The following table breaks down the Bank’s credit exposure at gross amounts (without taking into account any collateral held or other credit support), as categorised by the Bank’s defined industry sector.

| CREDIT RISK CONCENTRATIONS BY INDUSTRY RELATING TO ON-BALANCE SHEET ITEMS |                                                        |                                    |                                |                                 |                        |               |
|---------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------|--------------------------------|---------------------------------|------------------------|---------------|
|                                                                           | 31 DECEMBER 2024                                       |                                    |                                |                                 |                        |               |
|                                                                           | N'000                                                  | N'000                              | N'000                          | N'000                           | N'000                  | N'000         |
| Sector                                                                    | Cash and bank balances & Cash reserve balance with CBN | Financial assets at amortised cost | Financial assets at fair value | Loans and advances to customers | Other financial assets | Total         |
| Activities of Extra Territorial Organizations and                         | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Administrative and Support Service Activities                             | -                                                      | -                                  | -                              | 5,747,365                       | -                      | 5,747,365     |
| Agriculture                                                               | -                                                      | -                                  | -                              | 63,533,479                      | -                      | 63,533,479    |
| Arts, Entertainment and Recreation                                        | -                                                      | -                                  | -                              | 1,626,265                       | -                      | 1,626,265     |
| Capital Market                                                            | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Construction                                                              | -                                                      | -                                  | -                              | 71,776,895                      | -                      | 71,776,895    |
| Education                                                                 | -                                                      | -                                  | -                              | 2,729,451                       | -                      | 2,729,451     |
| Finance and Insurance                                                     | 1,111,478,076                                          | 4,890,387                          | -                              | 77,655,024                      | 24,547,060             | 1,218,570,547 |
| General (others)                                                          | -                                                      | -                                  | -                              | 82,661,498                      | 100,184,739            | 182,846,237   |
| General Commerce                                                          | -                                                      | -                                  | -                              | 53,450,821                      | -                      | 53,450,821    |
| Government                                                                | 679,353,582                                            | 483,449,905                        | 477,175,026                    | 2,034                           | 41,914,700             | 1,681,895,247 |
| Human Health and Social Work Activities                                   | -                                                      | -                                  | -                              | 6,598,543                       | -                      | 6,598,543     |
| Information and Communication                                             | -                                                      | -                                  | -                              | 25,827,823                      | -                      | 25,827,823    |
| Manufacturing                                                             | -                                                      | -                                  | -                              | 94,376,786                      | -                      | 94,376,786    |
| Mining and Quarrying                                                      | -                                                      | -                                  | -                              | 9,849,151                       | -                      | 9,849,151     |
| Oil and Gas                                                               | -                                                      | -                                  | -                              | 269,918,658                     | -                      | 269,918,658   |
| Power and Energy                                                          | -                                                      | -                                  | -                              | 11,796,536                      | -                      | 11,796,536    |
| Professional, Scientific and Technical Activities                         | -                                                      | -                                  | -                              | 35,131,402                      | -                      | 35,131,402    |
| Public Utilities                                                          | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Real Estate                                                               | -                                                      | -                                  | -                              | 125,146,135                     | -                      | 125,146,135   |
| Transportation and Storage                                                | -                                                      | -                                  | -                              | 21,109,294                      | -                      | 21,109,294    |
| Water Supply; Sewerage, Waste Management And Remediation Activities       | -                                                      | -                                  | -                              | 1,904,810                       | -                      | 1,904,810     |
| Total                                                                     | 1,790,831,658                                          | 488,340,292                        | 477,175,026                    | 960,841,970                     | 166,646,499            | 3,883,835,445 |



| CREDIT RISK CONCENTRATIONS BY INDUSTRY RELATING TO ON-BALANCE SHEET ITEMS |                                                        |                                    |                                |                                 |                        |               |
|---------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------|--------------------------------|---------------------------------|------------------------|---------------|
|                                                                           | 31 DECEMBER 2024                                       |                                    |                                |                                 |                        |               |
|                                                                           | ₦'000                                                  | ₦'000                              | ₦'000                          | ₦'000                           | ₦'000                  | ₦'000         |
| Sector                                                                    | Cash and bank balances & Cash reserve balance with CBN | Financial assets at amortised cost | Financial assets at fair value | Loans and advances to customers | Other financial assets | Total         |
| Activities of Extra Territorial Organizations and                         | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Administrative and Support Service Activities                             | -                                                      | -                                  | -                              | 9,576,615                       | -                      | 9,576,615     |
| Agriculture                                                               | -                                                      | -                                  | -                              | 52,633,710                      | -                      | 52,633,710    |
| Arts, Entertainment and Recreation                                        | -                                                      | -                                  | -                              | 2,835,365                       | -                      | 2,835,365     |
| Capital Market                                                            | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Construction                                                              | -                                                      | -                                  | -                              | 36,141,551                      | -                      | 36,141,551    |
| Education                                                                 | -                                                      | -                                  | -                              | 4,039,250                       | -                      | 4,039,250     |
| Finance and Insurance                                                     | 546,120,062                                            | -                                  | -                              | 73,164,995                      | 45,613,832             | 664,898,889   |
| General (others)                                                          | -                                                      | -                                  | -                              | 96,022,467                      | 22,490,548             | 118,513,015   |
| General Commerce                                                          | -                                                      | -                                  | -                              | 81,677,407                      | -                      | 81,677,407    |
| Government                                                                | 583,141,657                                            | 290,154,977                        | 117,627,271                    | 62,603                          | 53,715,806             | 1,044,702,314 |
| Human Health and Social Work                                              | -                                                      | -                                  | -                              | 1,211,512                       | -                      | 1,211,512     |
| Information and Communication                                             | -                                                      | -                                  | -                              | 20,329,156                      | -                      | 20,329,156    |
| Manufacturing                                                             | -                                                      | -                                  | -                              | 95,572,321                      | -                      | 95,572,321    |
| Mining and Quarrying                                                      | -                                                      | -                                  | -                              | 1,128,128                       | -                      | 1,128,128     |
| Oil and Gas                                                               | -                                                      | -                                  | -                              | 138,567,446                     | -                      | 138,567,446   |
| Power and Energy                                                          | -                                                      | -                                  | -                              | 11,082,402                      | -                      | 11,082,402    |
| Professional, Scientific and Technical Activities                         | -                                                      | -                                  | -                              | 24,030,238                      | -                      | 24,030,238    |
| Public Utilities                                                          | -                                                      | -                                  | -                              | -                               | -                      | -             |
| Real Estate                                                               | -                                                      | -                                  | -                              | 126,812,642                     | -                      | 126,812,642   |
| Transportation and Storage                                                | -                                                      | -                                  | -                              | 23,998,307                      | -                      | 23,998,307    |
| Water Supply; Sewerage, Waste Management And Remediation Activities       | -                                                      | -                                  | -                              | 1,941,113                       | -                      | 1,941,113     |
| Total                                                                     | 1,129,261,719                                          | 290,154,977                        | 117,627,271                    | 800,827,228                     | 121,820,186            | 2,459,691,381 |

The Bank does not hold any collateral against its otherfinancial assets exposedto credit risk.



Sensitivity - loan loss impairment

The ECL are sensitive to judgements and assumptions made regarding formulation of forward looking scenarios and how such scenarios are incorporated into the calculations. Management performs a sensitivity analysis on the ECL recognised on material classes of its assets.

In sensitising the variables above to determine their impact on Expected Credit Losses (ECL), the Bank adjusted its forward-looking Information forecast as follows:

In 2025;

- 10% Increase/Decrease in prime lending rate
- 10% Decrease/Increase in crude oil price

In 2024;

- 10% Increase/Decrease in prime lending rate
- 10% Decrease/Increase in crude oil price

Set out below are the changes to the ECL that would result from the possible changes in these parameters from the actual assumptions used in the Bank’s economic variables assumption.

|                 |          | N'000              | N'000     | N'000       |
|-----------------|----------|--------------------|-----------|-------------|
|                 |          | 31 DECEMBER 2025   |           |             |
|                 |          | Prime lending rate |           |             |
|                 |          | +10%               | Constant  | -10%        |
| Crude oil price | +10%     | 772,182            | (214,377) | (1,200,935) |
|                 | Constant | 986,558            | -         | (986,558)   |
|                 | -10%     | 1,200,935          | 214,377   | (772,182)   |

|                 |          | N'000              | N'000     | N'000       |
|-----------------|----------|--------------------|-----------|-------------|
|                 |          | 31 DECEMBER 2024   |           |             |
|                 |          | Prime lending rate |           |             |
|                 |          | +10%               | Constant  | -10%        |
| Crude oil price | +10%     | 701,984            | (194,888) | (1,091,759) |
|                 | Constant | 896,871            | -         | (896,871)   |
|                 | -10%     | 1,091,759          | 194,888   | (701,984)   |

Collateral repossessed

'The Bank holds collateral and other credit enhancements against certain of its credit exposures arising from loans and advances to customers. The following tables sets out the principal types of collateral held against different types of financial assets.

'Upon initial recognition of repossessed collateral, the fair value of collateral is based on valuation techniques commonly used for the corresponding assets. In subsequent periods, the fair value is assessed by reference to market price or indices of similar assets.



The table below details the collaterals repossessed during the year. Figures for comparative periods are also disclosed:

|                     | ₦'000            | ₦'000            |
|---------------------|------------------|------------------|
|                     | 31 December 2025 | 31 December 2025 |
| Reposessed property | 2,355,000        | 2,355,000        |

Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements against certain of its credit exposures arising from loans and advances to customers. The following tables sets out the principal types of collateral held against different types of financial assets.

Summary of collaterals held against loans and advances to customers

An estimate of the fair value of any collateral and other security enhancements held against loans and advances to customers is shown below:

| 31 DECEMBER 2025<br>FIGURES IN THOUSANDS OF NAIRA | GROSS AMOUNT | COLLATERAL    |
|---------------------------------------------------|--------------|---------------|
| Against 12 months ECL                             | 791,808,394  | 7,251,577,345 |
| Against Lifetime ECL not credit-impaired          | 107,138,617  | 296,054,424   |
| Against Lifetime ECL credit-impaired              | 81,583,659   | 157,522,341   |
| Total                                             | 980,530,670  | 7,705,154,110 |

| 31 DECEMBER 2024<br>FIGURES IN THOUSANDS OF NAIRA | GROSS AMOUNT | COLLATERAL    |
|---------------------------------------------------|--------------|---------------|
| Against 12 months ECL                             | 625,344,688  | 1,166,129,998 |
| Against Lifetime ECL not credit-impaired          | 123,389,709  | 237,773,813   |
| Against Lifetime ECL credit-impaired              | 78,285,793   | 205,139,192   |
| Total                                             | 827,020,190  | 1,609,043,003 |

The type of collaterals and other security enhancement held against loans and advancesto customers are disclosed in gross amounts in the table below:

| 31 DECEMBER 2025<br>FIGURES IN THOUSANDS OF NAIRA | GROSS AMOUNT | COLLATERAL    |
|---------------------------------------------------|--------------|---------------|
| Against Lifetime ECL credit-impaired              |              |               |
| Property                                          | 60,574,430   | 136,445,037   |
| Cash                                              | 125,594,427  | 365,642,648   |
| Others                                            | 604,205,063  | 6,749,489,660 |
| Total                                             | 790,373,920  | 7,251,577,345 |



| 31 DECEMBER 2025<br>FIGURES IN THOUSANDS OF NAIRA | GROSS AMOUNT | COLLATERAL  |
|---------------------------------------------------|--------------|-------------|
| Against Lifetime ECL not credit-impaired          |              |             |
| Property                                          | 32,479,287   | 90,496,119  |
| Cash                                              | 463,453      | 2,590,000   |
| Others                                            | 74,197,611   | 202,968,305 |
| Total                                             | 107,140,351  | 296,054,424 |

| 31 DECEMBER 2025<br>FIGURES IN THOUSANDS OF NAIRA | GROSS AMOUNT | COLLATERAL    |
|---------------------------------------------------|--------------|---------------|
| Against Lifetime ECL not credit-impaired          |              |               |
| Property                                          | 7,154,450    | 18,437,672    |
| Cash                                              | 13,624,403   | 22,690,939    |
| Others                                            | 62,237,546   | 116,393,730   |
| Total                                             | 83,016,399   | 157,522,341   |
| Grand Total                                       | 980,530,670  | 7,705,154,110 |

The Bank does not hold any collateral against its other financial assets exposed to credit risk.

The loss allowance for financial assets as at 31 December reconcile to the opening loss allowance as follows:

|                                                                                      | LOANS AND ADVANCES TO CUSTOMERS |            | FACTORED LOANS |         |
|--------------------------------------------------------------------------------------|---------------------------------|------------|----------------|---------|
|                                                                                      | 2025                            | 2024       | 2025           | 2024    |
|                                                                                      | ₦'000                           | ₦'000      | ₦'000          | ₦'000   |
| Opening loss allowance as at 1 January                                               | 26,192,963                      | 12,464,761 | 898,599        | 897,837 |
| (Decrease) / increase in loss allowance recognised in profit or loss during the year | (6,504,263)                     | 13,728,202 | 762            | 762     |
| Closing loss allowance as at 31 December                                             | 19,688,700                      | 26,192,963 | 899,361        | 898,599 |

|                                                                                      | FINANCIAL ASSETS AT AMORTISED |             | OFF-BALANCE SHEET ITEMS |         |
|--------------------------------------------------------------------------------------|-------------------------------|-------------|-------------------------|---------|
|                                                                                      | 2025                          | 2024        | 2025                    | 2024    |
|                                                                                      | ₦'000                         | ₦'000       | ₦'000                   | ₦'000   |
| Opening loss allowance as at 1 January                                               | 459,706                       | 1,626,518   | 591,549                 | 398,698 |
| (Decrease) / increase in loss allowance recognised in profit or loss during the year | 1,843,624                     | (1,166,812) | 2,951,018               | 192,851 |
| Closing loss allowance as at 31 December                                             | 2,303,330                     | 459,706     | 3,542,567               | 591,549 |

| Modified Loans                     |                  |                  |
|------------------------------------|------------------|------------------|
| FIGURES IN THOUSANDS OF NAIRA      | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
| Amortised Cost before modification | 40,711,030       | 64,101,285       |
| Modification (loss)/gain           | (13,138)         | 90,091           |
| Amortised Cost after modocation    | 40,697,891       | 64,191,376       |



3.3 Risk Review - Liquidity Risk

Liquidity risk is the risk to an institution’s financial condition or safety and soundness, arising from its inability (whether real or perceived) to meet its contractual obligations. Liquidity risk is a major risk for a bank. It arises when the cushion provided by the liquid assets are not sufficient enough to meet the bank’s obligation. In such a situation a bank often meets its liquidity requirements from the interbank market. However conditions of funding through the market depends upon liquidity in the market.

Liquidity risk may not be seen in isolation, because financial risk are not mutually exclusive and liquidity risk is often triggered by consequences of other financial risks, such as, credit risk, market risk etc. For instance, a bank increasing its credit risk through asset concentration may be increasing its liquidity risk as well.

Liquidity risk management process

The Bank’s liquidity is a measure of the ratio of its liquid assets to total customer deposits and the Central bank of Nigeria has set a minimum ratio of 30% for Commercial Banks. However, ProvidusBank operates with an internal limit which provides a buffer above the regulatory minimum. The bank has also documented a comprehensive Liquidity risk management framework which defines clear guidelines for mitigating likelihood of liquidity gap. This is also supported by the contingency funding plan approved by the board.

Furthermore, the Bank’s Asset and Liability Committee (ALCO), which has responsibility for effective management of daily liquidity positions has put in place an effective management information system (MIS) which is essential for sound liquidity management decisions. Requirement of the MIS include capability to:

- Provide timely and relevant information with respect to the Bank’s liquidity positions.
- Produce reports in a form and content that is relevant to the nature, scale and complexity of the Bank.
- Enable the Treasurer and the Market & Liquidity Risk Management department to monitor compliance with established policies and limits.
- Accommodate appropriate liquidity stress testing and scenario analysis.

Additionally, the market & liquidity risk management team, ensures compliance to the board-approved liquidity management policy and it is independent of the funding function.

Details of the reported Bank ratio of net liquid assets to deposits from customers at the reporting date and during the year were as follows:

|                        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|------------------------|------------------|------------------|
|                        | %                | %                |
| At end of year         | 78               | 44               |
| Average for the year   | 68               | 38               |
| Maximum for the year   | 96               | 48               |
| Minimum for the year   | 45               | 28               |
| Regulatory requirement | 30               | 30               |



To ensure that the Bank’s liquidity is adequate at all times, limits have been set across relevant indices which entrenches an effective well diversified funding strategy. An example of which is investments in liquid assets (such as Government Bonds and Treasury Bills), held for the purpose of managing liquidity risk management. These activities are guided by the Liquidity Risk Management Policy/Framework.

A three level liquidity governance structure has also been documented and approved to guide the activities of the Bank. This includes the Board, Management and relevant departments (Treasury, Risk Management and Internal Control). The Bank’s liquidity behavior is strictly guided by the Board approved liquidity management policy. The policy defines specific limit that will ensure adequate liquidity position at all times. Maturity re-pricing schedules, projected liquidity position as well as stress tested liquidity outlook are generated weekly by the Liquidity Risk team for ALCO’s decision making.

The Bank’s funding sources are reviewed regularly by the Market & Liquidity Risk Management team to ensure diversification funding by geography, provider, product and term to maturity. A Contingency funding plan is also in place as fall-back strategy in the unlikely condition of a liquidity stress situation.

Liquidity Risk Measurement

The measure of the Bank’s liquidity is the ratio of its liquid assets to total customer deposits. The liquid assets held for managing liquidity risk comprise:

Impairment charge on other asset

| ASSET AND LIABILITY MIX                                     |              | 31 DECEMBER 2025 |              | 31 DECEMBER 2024 |  |
|-------------------------------------------------------------|--------------|------------------|--------------|------------------|--|
| Asset components                                            | % Proportion | ₦'000            | % Proportion | ₦'000            |  |
| Cash and bank balances (note 16)                            | 1%           | 49,961,790       | 1%           | 19,427,908       |  |
| Due from other financial institutions (note 17)             | 4%           | 142,362,571      | 9%           | 221,326,618      |  |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 17%          | 669,289,252      | 23%          | 579,614,616      |  |
| Financial assets at fair value (note 18)                    | 12%          | 477,175,026      | 5%           | 117,627,272      |  |
| Loans and advances at amortised cost (note 19)              | 25%          | 980,530,670      | 33%          | 827,020,190      |  |
| Other assets (note 22)                                      | 5%           | 184,857,691      | 5%           | 125,621,772      |  |
| Financial assets at amortised cost (note20)                 | 12%          | 488,340,293      | 12%          | 290,154,977      |  |
| Placements (note 17)                                        | 24%          | 929,218,045      | 12%          | 308,892,578      |  |
| Total                                                       | 100%         | 3,921,735,338    | 100%         | 2,489,685,931    |  |
| Liability components                                        | % Proportion | ₦'000            | % Proportion | ₦'000            |  |
| Current accounts (note 27)                                  | 54%          | 1,129,846,885    | 56%          | 875,994,142      |  |
| Savings accounts (note 27)                                  | 11%          | 225,524,463      | 10%          | 149,592,166      |  |
| Term deposits (note 27)                                     | 11%          | 242,307,196      | 8%           | 128,363,632      |  |
| Domicilliary accounts (note 27)                             | 24%          | 511,836,319      | 27%          | 420,521,536      |  |
| Total                                                       | 100%         | 2,109,514,863    | 100%         | 1,574,471,476    |  |



Contractual maturity of financial assets and liabilities

The following tables show the contractual maturity of the Bank’s financial assets and liabilities and on the basis of their earliest possible contractual maturity.

| 31 DECEMBER 2025                                            | CARRYING AMOUNT | GROSS NOMINAL INFLOW/ (OUTFLOW) | LESS THAN 90 DAYS | 91 - 180 DAY  | 181 - 365 DAYS | OVER 1 YEAR BUT LESS THAN 5 YEARS | OVER 5 YEARS |
|-------------------------------------------------------------|-----------------|---------------------------------|-------------------|---------------|----------------|-----------------------------------|--------------|
| Financial assets                                            |                 |                                 |                   |               |                |                                   |              |
| Cash and bank balances (note 16)                            | 49,961,790      | 55,943,323                      | 55,943,323        | -             | -              | -                                 | -            |
| Due from other financial institutions (note 17)             | 1,070,655,008   | 1,072,451,134                   | 1,071,711,100     | 740,034       | -              | -                                 | -            |
| Financial assets at fair value (note 18)                    | 477,175,026     | 510,135,814                     | 71,911,148        | 169,956,991   | 164,665,069    | 38,105,717                        | 65,496,889   |
| Other assets (note 22)                                      | 166,646,499     | 184,857,692                     | 126,326,191       | -             | -              | 58,531,501                        | -            |
| Loans and advances at amortised cost (note 19)              | 960,841,970     | 1,355,300,007                   | 279,004,884       | 90,326,410    | 217,940,109    | 586,654,638                       | 181,373,966  |
| Financial assets at amortised cost (note 20)                | 486,036,963     | 500,551,967                     | 239,053,107       | 46,079,292    | 20,353,605     | 38,014,834                        | 157,051,129  |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 669,289,252     | 669,289,252                     | -                 | -             | -              | 669,289,252                       | -            |
|                                                             | 3,880,606,508   | 4,348,529,189                   | 1,843,949,753     | 307,102,727   | 402,958,783    | 1,390,595,942                     | 403,921,984  |
| Financial liabilities                                       |                 |                                 |                   |               |                |                                   |              |
| Deposit from customers (note 27)                            | 2,109,514,863   | 2,115,289,719                   | 2,079,513,753     | 20,732,210    | 14,573,461     | 470,295                           | -            |
| Borrowed funds (note 28)                                    | 1,184,642,949   | 1,203,977,638                   | 1,164,605,564     | 15,103,159    | 22,272,031     | 1,996,884                         | -            |
| Debt securities issued (note 30)                            | 82,093,991      | 83,665,124                      | 83,665,124        | -             | -              | -                                 | -            |
| Other liabilities* (note 31)                                | 477,742,122     | 477,942,391                     | 392,462,214       | 24,440,942    | 30,631,570     | 30,407,665                        | -            |
| Lease liabilities (note 32)                                 | 696,738         | 1,133,413                       | -                 | 162,063       | 216,000        | 590,350                           | 165,000      |
|                                                             | 3,854,690,663   | 3,882,008,285                   | 3,720,246,655     | 3,720,246,655 | 67,693,062     | 33,465,194                        | 165,000      |
| Gap (asset - liabilities)                                   | 25,915,845      | 466,520,905                     | (1,876,296,902)   | 246,664,354   | 335,265,721    | 1,357,130,748                     | 403,756,984  |

| 31 DECEMBER 2024                                            | CARRYING AMOUNT | GROSS NOMINAL INFLOW/ (OUTFLOW) | LESS THAN 90 DAYS | 91 - 180 DAY | 181 - 365 DAYS | OVER 1 YEAR BUT LESS THAN 5 YEARS | OVER 5 YEARS  |
|-------------------------------------------------------------|-----------------|---------------------------------|-------------------|--------------|----------------|-----------------------------------|---------------|
| Financial assets                                            |                 |                                 |                   |              |                |                                   |               |
| Cash and bank balances (note 16)                            | 19,427,908      | 19,427,908                      | 19,427,908        | -            | -              | -                                 | -             |
| Due from other financial institutions (note 17)             | 530,219,196     | 532,243,729                     | 454,195,779       | 3,047,950    | 25,500,000.00  | -                                 | 49,500,000.00 |
| Financial assets at fair value (note 18)                    | 117,627,272     | 132,881,153                     | 23,838,931        | 29,336,924   | 46,872,095     | 20,110,268                        | 12,722,935    |
| Other assets (note 22)                                      | 124,832,039     | 128,633,625                     | 34,679,476        | 24,602,782   | -              | 69,351,367                        | -             |
| Loans and advances at amortised cost (note 19)              | 827,020,190     | 1,158,759,283                   | 234,707,536       | 77,279,710   | 174,988,097    | 490,903,985                       | 180,879,955   |
| Financial assets at amortised cost (note 20)                | 290,154,976     | 300,644,885                     | 84,784,879        | 19,520,377   | 6,194,134      | 45,413,240                        | 144,732,255   |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 579,614,616     | 579,614,616                     | -                 | -            | -              | 579,614,616                       | -             |
|                                                             | 2,488,896,197   | 2,852,205,199                   | 851,634,509       | 153,787,743  | 253,554,326    | 1,205,393,476                     | 387,835,145   |

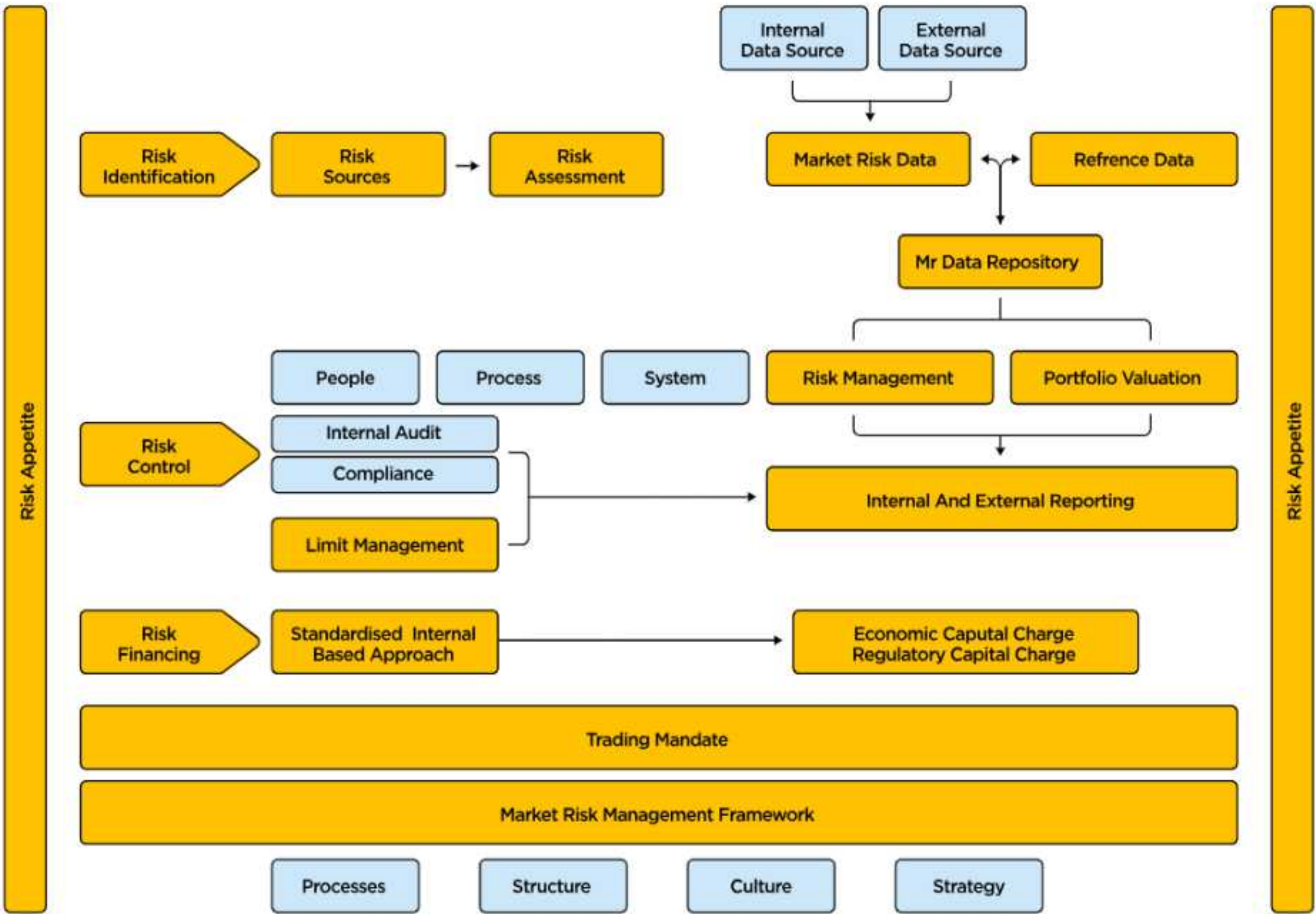


| 31 DECEMBER 2025                 | CARRYING AMOUNT | GROSS NOMINAL INFLOW/ (OUTFLOW) | LESS THAN 90 DAYS | 91 - 180 DAY | 181 - 365 DAYS | BUT LESS THAN 5 YEARS | OVER 5 YEARS |
|----------------------------------|-----------------|---------------------------------|-------------------|--------------|----------------|-----------------------|--------------|
| Financial liabilities            |                 |                                 |                   |              |                |                       |              |
| Deposit from customers (note 27) | 1,574,471,481   | 1,576,312,356                   | 1,552,722,948     | 15,395,132   | 6,484,265      | 470,295               | -            |
| Borrowed funds (note 28)         | 619,511,605     | 639,993,358                     | 517,936,321       | 36,864,349   | 82,744,244     | 2,448,444             | -            |
| Debt securities issued (note 30) | 15,789,907      | 19,362,500                      | 387,250           | -            | 387,250        | 2,323,500             | 16,264,500   |
| Other liabilities* (note 31)     | 202,645,165     | 202,267,733                     | 117,269,729       | 2,461,684    | 53,549,344     | 28,986,976            | -            |
| Lease liabilities (note 32)      | 348,674         | 583,913                         | -                 | -            | 220,000        | 168,663               | 195,250      |
|                                  | 2,412,766,832   | 2,438,519,860                   | 2,188,316,248     | 54,721,165   | 143,385,103    | 35,637,593            | 16,459,750   |
| Gap (asset - liabilities)        | 76,129,365      | 413,685,339                     | (1,336,681,739)   | 99,066,578   | 110,169,223    | 1,169,755,883         | 371,375,395  |

\*Other liabilities exclude withholding tax payable and ECL provision on off balance sheet items as these are non financial instruments.

3.4 Market Risk

Market risk is the risk that the Bank will suffer a loss to earnings and diminution in capital due to the adverse movements in market rates or prices of its balance sheet positions. Market risk arises from changes in market rates or prices. Exposure to this risk can result from market-making, dealing, and position-taking activities in the financial markets.





Typically, the Bank trades in the following financial instruments:

- 1. Treasury bills
- 2. Money market products
- 3. Bonds

In order to accurately estimate the market risk inherent in the bank’s portfolio, Providus Bank delineates and manages its market risks under two broad categories - the trading book and the banking book.

The way and manner of measuring, managing and controlling the market risks will depend on the categorization and/or source of the risks. Providus Bank regularly and consistently identifies and measures market risks emanating from both its trading and banking books using the Earnings at Risk (EaR) or Sensitivity Analysis.

Providus Bank’s market risk exposures are largely interest and exchange rate induced. The market risk management function is centralized and located in the Head Office. It performs the middle office role between the Front Office (Treasury) and the Back Office (Treasury Operations). The unit is responsible for daily management of risk associated with the volatility of market factors, being interest and exchange rates. The process entails risk identification, measurement, monitoring, controlling and reporting.

The Bank has developed holistic processes for the effective identification, assessment, monitoring and control of market risks inherent in the Bank’s trading and banking books (on and off balance sheet). The Enterprise risk management framework which is approved by the Board drives the implementation of enabling policies/ methodologies and tools to facilitate the risk management objectives including market risk.

The market risk management strategy of Providus Bank clearly articulates the principles that implement and sustain a pro-active approach of its risk exposure management processes, within the defined risk appetite of the Bank in the running of its daily activities.

The market and liquidity risk function reports daily to the CRO and provides reports weekly/quarterly or as the need arises for other management and board meetings such as ALCO, Risk Management and Board Risk Management Committees.

Statement of financial position view of trading and banking books (Market Risk)

The statement of financial position split by trading book and banking book is shown below:

|                                                    | 2025                  |                       |                | 2024                  |                       |                |
|----------------------------------------------------|-----------------------|-----------------------|----------------|-----------------------|-----------------------|----------------|
| Figures in thousands of Naira<br>As at 31 December | Banking book<br>N'000 | Trading book<br>N'000 | Total<br>N'000 | Banking book<br>N'000 | Trading book<br>N'000 | Total<br>N'000 |
| Cash and bank balances                             | 49,961,790            | -                     | 49,961,790     | 19,427,908            | -                     | 19,427,908.00  |
| Due from other financial institutions              | 1,071,580,616         | -                     | 1,071,580,616  | 530,219,196           | -                     | 530,219,196    |
| Financial assets at fair value                     | 477,175,026           | -                     | 477,175,026    | 117,627,271           | -                     | 117,627,271    |
| Loans and advances at amortised cost               | 980,530,670           | -                     | 980,530,670    | 827,020,190           | -                     | 827,020,190    |
| Financial assets at amortised cost                 | 488,340,293           | -                     | 488,340,293    | 290,154,977           | -                     | 290,154,977    |
| Cash reserve balance with Central Bank of Nigeria  | 669,289,252           | -                     | 669,289,252    | 579,614,616           | -                     | 579,614,616    |
| Other assets                                       | 220,465,487           | -                     | 220,465,487    | 140,687,533           | -                     | 140,687,533    |
| Investment properties                              | -                     | -                     | -              | -                     | -                     | -              |
| Property and equipment                             | 90,599,300            | -                     | 90,599,300     | 74,884,985            | -                     | 74,884,985     |



|                         |               |   |               |               |   |               |
|-------------------------|---------------|---|---------------|---------------|---|---------------|
| Right of use assets     | 889,535       | - | 889,535       | 612,737       | - | 612,737       |
| Intangible assets       | 3,483,603     | - | 3,483,603     | 2,359,554     | - | 2,359,554     |
| Deferred tax assets     | 14,370,966    | - | 14,370,966    | 6,283,440     | - | 6,283,440     |
| Total assets            | 4,066,686,538 | - | 4,066,686,538 | 2,588,892,407 | - | 2,588,892,407 |
| Deposits from customers | 2,109,514,863 | - | -             | 1,574,471,476 | - | -             |
| Debt securities issued  | 82,093,991    | - | -             | 15,789,907    | - | -             |
| Borrowings funds        | 1,184,642,949 | - | -             | 619,511,605   | - | -             |
| Current tax liability   | 5,556,803     | - | -             | 7,975,223     | - | -             |
| Other liabilities       | 485,285,422   | - | -             | 205,120,326   | - | -             |
| Lease liabilities       | 696,738       | - | -             | 348,674       | - | -             |
| Deferred tax liability  | 13,284,046    | - | -             | 3,724,305     | - | -             |
| Total liabilities       | 3,881,074,812 | - | -             | 2,426,941,516 | - | -             |

Non - traded market risk review

Overview

The non-traded market risk framework covers exposures in the banking book, mostly consisting of exposures relating to instruments held till maturity. The potential volatility of the net interest income of the bank is measured by an Annual Earnings at Risk (AEaR) metric that is monitored regularly and reported to Executive Management and the Board Risk Committee.

Net interest income sensitivity

The table below shows a sensitivity analysis on pre-tax net interest income for non-trading financial assets and liabilities. The sensitivity has been measured using the Annual Earnings at Risk (AEaR) methodology. Note that this metric assumes an instantaneous parallel change to interest rate forward curves.

|                        | PBT INCREASE | PBT DECREASE |
|------------------------|--------------|--------------|
| Figures in thousands   | Naira        | Naira        |
| As at 31 December 2025 |              |              |
| +25bps                 | 1,314,268    | -            |
| -25bps                 | -            | (1,314,268)  |
| As at 31 December 2024 |              |              |
| +25bps                 | 954,641      | -            |
| -25bps                 | -            | (954,641)    |



3.5 Foreign Exchange Risk

The Bank is exposed to transactional foreign exchange exposures which represent exposure on banking assets and liabilities, denominated in currencies other than the naira. Regulatory requirements and risk management policies prevent the holding of significant open positions in foreign currencies.

Financial instruments by currency

The table below summarizes the Bank's financial assets and financial liabilities at gross amount, categorised by currency:

| 31 December 2025<br>Figures in thousands                    | Total         | Naira         | USD         | GBP       | EURO       | CNY     |
|-------------------------------------------------------------|---------------|---------------|-------------|-----------|------------|---------|
| Financial assets                                            |               |               |             |           |            |         |
| Cash and bank balances (note 16)                            | 49,961,791    | 15,338,100    | 30,289,049  | 3,085,922 | 1,248,720  | -       |
| Due from other financial institutions (note17)              | 1,071,580,616 | 803,349,241   | 255,213,292 | 4,132,308 | 8,571,017  | 314,759 |
| Financial assets at fair value (note 18)                    | 477,175,026   | 440,792,063   | 36,382,963  | -         | -          | -       |
| Loans and advances at amortised cost (note 19)              | 980,530,670   | 748,527,299   | 228,398,722 | 86,515    | 3,518,134  | -       |
| Financial assets at amortised cost (note 20)                | 488,340,293   | 450,773,242   | 37,567,050  | -         | -          | -       |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 669,289,252   | 669,289,252   | -           | -         | -          | -       |
| Other financial assets (note 22)                            | 184,857,692   | 174,691,480   | 10,166,212  | -         | -          | -       |
|                                                             | 3,921,735,340 | 3,302,760,677 | 598,017,288 | 7,304,745 | 13,337,871 | 314,75  |
| Financial Liabilities                                       |               |               |             |           |            |         |
| Deposit from customers (note )                              | 2,109,514,863 | 1,596,055,829 | 500,028,404 | 8,205,832 | 5,224,798  | -       |
| Borrowed funds (note 28)                                    | 1,184,642,949 | 1,184,642,949 | -           | -         | -          | -       |
| Debt securities issued (note 30)                            | 82,093,990    | 82,093,990    | -           | -         | -          | -       |
| Other liabilities* (note31)                                 | 485,285,422   | 460,821,413   | 22,426,164  | -         | 1,703,168  | 334,677 |
| Lease liabilities (note 32)                                 | 696,738       | 696,738       | -           | -         | -          | -       |
|                                                             | 3,862,233,962 | 3,324,310,919 | 522,454,568 | 8,205,832 | 6,927,966  | 334,677 |

| 31 December 2024<br>Figures in thousands                    | Total         | Naira         | USD         | GBP       | EURO       | CNY     |
|-------------------------------------------------------------|---------------|---------------|-------------|-----------|------------|---------|
| Financial assets                                            |               |               |             |           |            |         |
| Cash and bank balances (note 16)                            | 19,427,909    | 5,373,761     | 12,540,720  | 1,270,587 | 242,841    | -       |
| Due from other financial institutions (note17)              | 530,219,194   | 94,676,057    | 424,488,645 | 1,215,502 | 9,285,091  | 553,899 |
| Financial assets at fair value (note 18)                    | 117,627,272   | 98,932,838    | 18,694,434  | -         | -          | -       |
| Loans and advances at amortised cost (note 19)              | 827,020,190   | 690,925,823   | 132,725,591 | 97,188    | 3,271,588  | -       |
| Financial assets at amortised cost (note 20)                | 290,154,977   | 265,601,511   | 24,553,466  | -         | -          | -       |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 579,614,616   | 579,614,616   | -           | -         | -          | -       |
| Other financial assets (note 22)                            | 124,832,039   | 92,407,670    | 32,407,511  | 16,858    | -          | -       |
|                                                             | 2,488,896,197 | 1,827,532,276 | 645,410,367 | 2,600,135 | 12,799,520 | 553,899 |



|                                  |               |               |             |           |           |         |
|----------------------------------|---------------|---------------|-------------|-----------|-----------|---------|
| Financial Liabilities            |               |               |             |           |           |         |
| Deposit from customers (note )   | 1,574,471,481 | 1,160,372,920 | 407,640,656 | 4,638,478 | 1,819,427 | -       |
| Borrowed funds (note 28)         | 619,531,263   | 562,377,297   | 57,153,966  | -         | -         | -       |
| Debt securities issued (note 30) | 15,789,907    | -             | 15,789,907  | -         | -         | -       |
| Other liabilities* (note31)      | 205,120,324   | 152,517,356   | 47,716,270  | 173,694   | 4,367,218 | 345,786 |
| Lease liabilities (note 32)      | 348,674       | 348,674       | -           | -         | -         | -       |
|                                  | 2,415,261,649 | 1,875,616,247 | 528,300,799 | 4,812,172 | 6,186,645 | 345,786 |

\*Other liabilities exclude withholding tax payable and ECL provision on off balance sheet items as these are non financial instruments.

Sensitivity of foreign exchange currencies and impact on profit and equity

At 31 December 2025, a change of +/- 50% against the foreign currency with all other variables held constant, the profit for the year would have increased/(decreased) as set out in the table below mainly as a result of foreign exchange gains or losses on the translation.

| FIGURES IN THOUSANDS OF NAIRA                                        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|----------------------------------------------------------------------|------------------|------------------|
| Dollar                                                               |                  |                  |
| Naira strengthens by 50% (2024: 50%) - decrease in profit and equity | (6,169)          | (10,802)         |
| Naira weakens by 50% (2024: 50%) - increase in profit and equity     | 6,169            | 10,802           |
| GBP                                                                  |                  |                  |
| Naira strengthens by 30% (2024: 50%) - decrease in profit and equity | (3,358)          | (6,639)          |
| Naira weakens by 30% (2024: 50%) - increase in profit and equity     | 3,358            | 6,639            |
| Euro                                                                 |                  |                  |
| Naira strengthens by 20% (2024: 50%) - decrease in profit and equity | (2,789)          | (3,017)          |
| Naira weakens by 20% (2024: 50%) - increase in profit and equity     | 2,789            | 3,017            |

3.6 Interest rate risk

The Bank is exposed to a considerable level of interest rate risk especially on the banking book (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates). Interest rate was quite volatile within the period under review. The Bank has a notable portion of its liabilities in non-rate sensitive liabilities. This helps it in minimizing the impact of the exposure to interest rate risks. The Bank also enjoys some form of flexibility in adjusting both lending and deposits rates to reflect market realities.

The table below summarises the Bank’s interest rate gap position:



| AT 31 DECEMBER 2025                                         |                 |                |                    |
|-------------------------------------------------------------|-----------------|----------------|--------------------|
|                                                             | Carrying amount | Rate sensitive | Non rate sensitive |
| Assets:                                                     |                 |                |                    |
| Cash and bank balances (note 16)                            | 49,961,790      | -              | 49,961,790         |
| Due from other financial institutions (note17)              | 1,071,580,616   | -              | 1,071,580,616      |
| Financial assets at fair value (note 18)                    | 477,175,026     | 477,175,026    | -                  |
| Other financial assets at amortised cost (note 20)          | 488,340,293     | 488,340,293    | -                  |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 669,289,252     | -              | 669,289,252        |
| Other financial assets (note 22)                            | 184,857,691     | -              | 184,857,691        |
| Loans and advances at amortised cost:                       |                 |                |                    |
| Term Loans (note 19)                                        | 679,457,307     | 679,457,307    | -                  |
| Over draft (note 19)                                        | 301,073,363     | 301,073,363    | -                  |
|                                                             | 3,921,735,338   | 1,946,045,989  | 1,975,689,349      |
| Liabilities:                                                |                 |                |                    |
| Deposit from customers (note 27)                            | 2,109,514,863   | 765,255,897    | 1,344,258,966      |
| Debt securities issued (note 30)                            | 82,093,991      | 82,093,990     | 1                  |
| Borrowed funds (note 28)                                    | 1,184,642,949   | 1,184,642,949  | (0)                |
| Other liabilities (note 31)                                 | 485,285,422     | 20,885,705     | 464,399,717        |
|                                                             | 3,861,537,225   | 2,052,878,541  | 1,808,658,684      |
| Interest repricing gap                                      | 60,198,113      | (106,832,552)  | 167,030,666        |

| At 31 December 2025<br>Figures in thousands        | Up to 1 month | More than 1<br>month - Less<br>than 3 months | More than 3<br>months - Less<br>than 6 months | More than 6<br>months - Less<br>than 12 months | Over 1 year | Total<br>rate sensitive |
|----------------------------------------------------|---------------|----------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------|-------------------------|
| Assets                                             |               |                                              |                                               |                                                |             |                         |
| Financial assets at fair value (note 18)           | 2,366,148     | 67,460,721                                   | 159,021,673                                   | 145,659,819                                    | 102,666,666 | 477,175,026             |
| Due from other financial institutions (note17)     | 634,268,900   | -                                            | 740,034                                       | 4,132,308                                      | 191,420,061 | 844,310,783             |
| Other financial assets at amortised cost (note 20) | 145,311,389   | 91,222,064                                   | 42,504,990                                    | -                                              | 191,420,061 | 488,340,293             |
| Other financial assets (note 22)                   | -             | -                                            | -                                             | -                                              | -           | -                       |
| Loans and advances at amortised cost (note 19)     | 164,019,019   | 110,156,844                                  | 82,970,574                                    | 187,493,789                                    | 435,890,444 | 980,530,670             |
|                                                    | 945,965,456   | 268,839,629                                  | 285,237,271                                   | 368,917,184                                    | 921,397,232 | 2,790,356,772           |
| Liabilities:                                       |               |                                              |                                               |                                                |             |                         |
| Deposit from customers (note 27)                   | 533,631,604   | 197,748,604                                  | 20,243,907                                    | 13,243,252                                     | 388,530     | 765,255,897             |
| Debt securities issued (note 30)                   | 82,093,990    | -                                            | -                                             | -                                              | -           | 82,093,990              |
| Borrowed funds (note 28)                           | 778,885,486   | 370,706,396                                  | 14,295,155                                    | 19,403,256                                     | 1,352,656   | 1,184,642,949           |
| Other liabilities (note 31)                        | 4,907,993     | 15,187,309                                   | 790,403                                       | -                                              | -           | 20,885,705              |
|                                                    | 1,394,611,080 | 568,455,000                                  | 34,539,062                                    | 32,646,508                                     | 1,741,186   | 2,052,878,541           |
| Interest repricing gap                             | (448,645,624) | (299,615,371)                                | 250,698,209                                   | 336,270,676                                    | 919,656,046 | 737,478,231             |



| AT 31 DECEMBER 2024                                         |                 |                |                    |
|-------------------------------------------------------------|-----------------|----------------|--------------------|
| In thousands of naira                                       | Carrying amount | Rate sensitive | Non rate sensitive |
| Assets:                                                     |                 |                |                    |
| Cash and bank balances (note 16)                            | 19,427,908      | -              | 19,427,908         |
| Due from other financial institutions (note17)              | 530,219,196     | -              | 530,219,196        |
| Financial assets at fair value (note 18)                    | 117,627,271     | 117,627,271    | -                  |
| Other financial assets at amortised cost (note 20)          | 290,154,977     | 290,154,977    | -                  |
| Cash reserve balance with Central Bank of Nigeria (note 21) | 579,614,616     | -              | 579,614,616        |
| Other financial assets (note 22)                            | 125,621,772     | 24,581,745     | 101,040,027        |
| Loans and advances at amortised cost:                       |                 |                |                    |
| Term Loans (note 19)                                        | 646,324,730     | 646,324,730    | -                  |
| Over draft (note 19)                                        | 180,695,460     | 180,695,460    | -                  |
|                                                             | 2,489,685,930   | 1,259,384,183  | 1,230,301,747      |
| Liabilities:                                                |                 |                |                    |
| Deposit from customers (note 27)                            | 1,574,471,476   | 531,543,932    | 1,042,927,544      |
| Debt securities issued (note 30)                            | 15,789,907      | 15,789,907     | -                  |
| Borrowed funds (note 28)                                    | 619,511,605     | 619,531,264    | (19,659)           |
| Other liabilities (note 31)                                 | 202,645,165     | 1,223,671      | 201,421,494        |
|                                                             | 2,412,418,153   | 1,168,088,774  | 1,244,329,379      |
| Interest repricing gap                                      | 77,267,777      | 91,295,409     | (14,027,632)       |

| At 31 December 2025<br>Figures in thousands        | Up to 1 month | More than 1<br>month - Less<br>than 3 months | More than 3<br>months - Less<br>than 6 months | More than 6<br>months - Less<br>than 12 months | Over 1 year | Total<br>rate sensitive |
|----------------------------------------------------|---------------|----------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------|-------------------------|
| Assets                                             |               |                                              |                                               |                                                |             |                         |
| Financial assets at fair value (note 18)           | 5,340,311     | 17,600,639                                   | 27,037,475                                    | 38,988,506                                     | 28,660,341  | 117,627,271             |
| Other financial assets at amortised cost (note 20) | 40,973,641    | 42,409,436                                   | 17,704,852                                    | 5,453,550                                      | 183,613,498 | 290,154,977             |
| Other financial assets (note 22)                   | -             | -                                            | 24,581,745                                    | -                                              | -           | 24,581,745              |
| Loans and advances at amortised cost (note 19)     | 93,117,795    | 135,540,629                                  | 71,183,399                                    | 146,399,267                                    | 380,779,100 | 827,020,190             |
|                                                    | 139,431,746   | 195,550,704                                  | 140,507,471                                   | 190,841,324                                    | 593,052,940 | 1,259,384,184           |
| Liabilities:                                       |               |                                              |                                               |                                                |             |                         |
| Deposit from customers (note 27)                   | 413,553,685   | 95,369,731                                   | 14,914,768                                    | 6,138,676                                      | 1,567,072   | 531,543,932             |
| Debt securities issued (note 30)                   | -             | -                                            | -                                             | -                                              | 15,789,907  | 15,789,907              |
| Borrowed funds (note 28)                           | 317,049,455   | 90,982,382                                   | 34,558,317                                    | 75,137,559                                     | 1,803,551   | 619,531,264             |
| Other liabilities (note 31)                        | -             | -                                            | -                                             | 1,223,671                                      | -           | 1,223,671               |
|                                                    | 730,603,140   | 286,352,113                                  | 49,473,085                                    | 81,276,235                                     | 19,160,530  | 1,168,088,774           |
| Interest repricing gap                             | (591,171,394) | (90,801,409)                                 | 91,034,386                                    | 109,565,089                                    | 573,892,410 | 91,295,410              |



● **3.6 Interest rate risk (continued)**

The management of interest risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank’s financial assets and liabilities to various scenarios. Interest rate movement affects reported income by causing an increase or decrease in net interest income and fair value changes.

The table below shows the impact on the Bank’s profit before tax if interest rates on financial instruments held at amortized cost or at fair value had increased or decreased by 100 basis points, with all other variables held constant.

|                                                                          | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|--------------------------------------------------------------------------|------------------|------------------|
| In thousands of Naira                                                    |                  |                  |
| Effect of 100 basis points movement on profit before tax Upward movement | 772,678          | 912,954          |
| -25bps                                                                   | (772,678)        | (912,954)        |

The effect of 100 basis points movement on profit is considered moderate and we do not expect all the rates to move at the same time and in the same direction. This risk can largely be handled by the flexibility in the changing/ adjusting rates on loans and deposits

● **3.7 Commodity price risk**

The Bank does not deal in commodities and is therefore not exposed to any commodity price risk.

● **3.8 Determining fair values**

The determination of fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques. 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.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

**Quoted market prices - Level 1**

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

**Valuation technique using observable inputs - Level 2**

Assets and liabilities classified as Level 2 are valued using models whose inputs are observable either directly or indirectly. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.



Valuation techniques using significant unobservable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques such as discounted cash flows.

Input into the valuation techniques includes expected lifetime credit losses, interest rates, prepayment rates and primary origination or secondarymarket spreads. For collateral – dependent impaired loans, the fair value is measured based on the value of the underlying collateral.

The fair value of deposits from banks and customers is estimated using discounted cash flow techniques, applying the rates that are offered for deposits of similar maturities and terms. The fair value of deposits payable on demand is the amount payable at the reporting date.

Financial assets and liabilities carried at fair value

Financial instruments at fair value are either priced with reference to a quoted market price for that instrument or by using a valuation model. Where the fair value is calculated using a valuation model, the methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The expected cash flows for each contract are determined either directly by reference to actual cash flows implicit in observable market prices or through modelling cash flows using appropriate financial markets pricing models. Wherever possible, these models use as their basis, observable market prices and rates including, for example, interest rate yield curves, equities prices e.t.c.

The following table shows the Bank’s financial instruments held at fair value disaggregated by valuation technique (fair value hierarchy) and statement of financial position classification.

| FINANCIAL ASSETS AND LIABILITIES HELD AT FAIR VALUE |                      |                   |                                 |             |
|-----------------------------------------------------|----------------------|-------------------|---------------------------------|-------------|
|                                                     | Level 1              | Level 2           | Level 3                         | Total       |
| Figures in thousands of naira                       | Quoted market prices | Observable inputs | Significant unobservable inputs |             |
| As at 31 December 2025                              |                      |                   |                                 |             |
| Financial assets at fair value (note 18)            | 251,787,162          | 225,387,864       | -                               | 477,175,026 |
| Total assets                                        | 251,787,162          | 225,387,864       | -                               | 477,175,026 |
| As at 31 December 2024                              |                      |                   |                                 |             |
| Financial assets at fair value (note 18)            | 82,229,644           | 35,397,628        | -                               | 117,627,272 |
| Total assets                                        | 82,229,644           | 35,397,628        | -                               | 117,627,272 |

There were no financial liabilities held at fair value as at 31 December 2025 (2024: nil)

There were no transfers between levels during the year (2024: nil)



| FINANCIAL ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE     |                 |             |             |               |               |
|-----------------------------------------------------------------|-----------------|-------------|-------------|---------------|---------------|
| 31 December 2025                                                | Carrying Amount | FAIR VALUE  |             |               |               |
|                                                                 |                 | Level 1     | Level 2     | Level 3       | Total         |
| Financial assets                                                |                 |             |             |               |               |
| Cash and bank balances (note 16)                                | 49,961,790      | -           | -           | 49,961,790    | 49,961,790    |
| Due from other financial institutions (note 17)                 | 1,071,580,616   | -           | -           | 1,071,580,616 | 1,071,580,616 |
| Balances with CBN excluding mandatory reserve deposit (note 21) | 669,289,252     | -           | -           | 669,289,252   | 669,289,252   |
| Loans and advances at amortised cost (note 19)                  | 980,530,670     | -           | -           | 980,530,670   | 980,530,670   |
| Financial assets at amortised cost (note 20)                    | 488,340,293     | 181,909,974 | 287,444,081 |               | 469,354,055   |
| Other financial assets (note 22)                                | 184,857,691     |             |             | 184,857,691   | 184,857,691   |
|                                                                 | 3,444,560,312   | 181,909,974 | 287,444,081 | 2,956,220,019 | 3,425,574,074 |
| Financial liabilities                                           |                 |             |             |               |               |
| Deposits from customers (note 27)                               | 2,109,514,863   | -           | -           | 2,109,514,863 |               |
| Debt instrument issued (note 30)                                | 82,093,991      | -           | -           | 82,093,991    | 82,093,991    |
| Borrowed funds (note 28)                                        | 1,184,642,949   | -           | -           | 1,184,642,949 | 1,184,642,949 |
| Other liabilities (note 31)                                     | 485,285,422     | -           | -           | 485,285,422   | 485,285,422   |
|                                                                 | 3,861,537,225   | -           | -           | 3,861,537,225 | 1,752,022,362 |

| 31 December 2024                                                | Carrying Amount | FAIR VALUE  |            |               |               |
|-----------------------------------------------------------------|-----------------|-------------|------------|---------------|---------------|
|                                                                 |                 | Level 1     | Level 2    | Level 3       | Total         |
| Financial assets                                                |                 |             |            |               |               |
| Cash and bank balances (note 16)                                | 19,427,908      | -           | -          | 19,427,908    | 19,427,908    |
| Due from other financial institutions (note 17)                 | 530,219,196     | -           | -          | 530,219,196   | 530,219,196   |
| Balances with CBN excluding mandatory reserve deposit (note 21) | 579,614,616     | -           | -          | 579,614,616   | 579,614,616   |
| Loans and advances at amortised cost (note 19)                  | 827,020,190     | -           | -          | 827,020,190   | 827,020,190   |
| Financial assets at amortised cost (note 20)                    | 290,154,977     | 203,842,490 | 44,992,624 |               | 248,835,114   |
| Other financial assets (note 22)                                | 124,832,039     |             |            | 124,832,039   |               |
|                                                                 | 2,371,268,926   | 203,842,490 | 44,992,624 | 2,081,113,949 | 2,205,117,024 |
| Financial liabilities                                           |                 |             |            |               |               |
| Deposits from customers (note 27)                               | 1,574,471,481   | -           | -          | 1,574,471,481 |               |
| Debt instrument issued (note 30)                                | 15,789,907      | -           | -          | 15,789,907    | 15,789,907    |
| Borrowed funds (note 28)                                        | 619,511,605     | -           | -          | 619,511,605   | 619,511,605   |
| Other liabilities (note 31)                                     | 205,120,326     | -           | -          | 205,120,326   | 205,120,326   |
|                                                                 | 2,414,893,319   | -           | -          | 2,414,893,319 | 840,421,838   |



Financial instruments not carried at fair value

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

i Investment securities

The fair value for investment securities is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

ii Others

The carrying amounts of cash and bank balances, due from other financial institutions, balances with CBN, loans and advances, deposits from customer, other assets and other liabilities are reasonable approximation of their fair value

| CLASSIFICATION AND MEASUREMENT OF ALL FINANCIAL ASSETS AND LIABILITIES ON THE STATEMENT OF FINANCIAL POSITION |                              |                |                       |
|---------------------------------------------------------------------------------------------------------------|------------------------------|----------------|-----------------------|
| Figures in thousands of naira                                                                                 | Fair value through profit or | Amortised cost | Total carrying amount |
| 31 December 2025                                                                                              |                              |                |                       |
| Financial assets                                                                                              |                              |                |                       |
| Cash and bank balances                                                                                        | -                            | 49,961,790     | 49,961,790            |
| Due from other financial institutions                                                                         | -                            | 1,071,580,616  | 1,071,580,616         |
| Cash reserve balance with Central Bank of Nigeria                                                             | -                            | 669,289,252    | 669,289,252           |
| Financial assets at fair value                                                                                | 477,175,026                  | -              | 477,175,026           |
| Financial assets at amortised cost                                                                            | -                            | 488,340,293    | 488,340,293           |
| Other financial assets                                                                                        | -                            | 184,857,691    | 184,857,691           |
| Loans and advances at amortised cost                                                                          | -                            | 980,530,670    | 980,530,670           |
|                                                                                                               | 477,175,026                  | 3,444,560,312  | 3,921,735,338         |
| Financial liabilities                                                                                         |                              |                |                       |
| Deposits from customers                                                                                       | -                            | 2,109,514,863  | 2,109,514,863         |
| Debt instrument issued                                                                                        | -                            | 82,093,991     | 82,093,991            |
| Borrowed funds                                                                                                | -                            | 1,184,642,949  | 1,184,642,949         |
| Lease liabilities                                                                                             | -                            | 696,738        | 696,738               |
| Other liabilities                                                                                             | -                            | 485,285,422    | 485,285,422           |
|                                                                                                               | 477,175,026                  | 7,306,794,275  | 7,783,969,301         |



| Figures in thousands of naira                     | Fair value<br>through profit or | Amortised cost | Total carrying amount |
|---------------------------------------------------|---------------------------------|----------------|-----------------------|
| 31 December 2024                                  |                                 |                |                       |
| Financial assets                                  |                                 |                |                       |
| Cash and bank balances                            | -                               | 19,427,908     | 19,427,908            |
| Due from other financial institutions             | -                               | 530,219,196    | 530,219,196           |
| Cash reserve balance with Central Bank of Nigeria | -                               | 579,614,616    | 579,614,616           |
| Financial assets at fair value                    | 117,627,271                     | -              | 117,627,271           |
| Financial assets at amortised cost                | -                               | 290,154,977    | 290,154,977           |
| Other financial assets                            | -                               | 125,621,772    | 125,621,772           |
| Loans and advances at amortised cost              | -                               | 827,020,190    | 827,020,190           |
|                                                   | 117,627,271                     | 2,372,058,659  | 2,489,685,930         |
| Financial liabilities                             |                                 |                |                       |
| Deposits from customers                           | -                               | 1,574,471,476  | 1,574,471,476         |
| Debt instrument issued                            | -                               | 15,789,907     | 15,789,907            |
| Borrowed funds                                    | -                               | 619,511,605    | 619,511,605           |
| Lease liabilities                                 | -                               | 348,674        | 348,674               |
| Other liabilities                                 | -                               | 202,645,165    | 202,645,165           |
|                                                   | 117,627,271                     | 4,784,825,486  | 4,902,452,757         |

3.9 Risk Review - Capital Risk Management

Capital management is central to the Bank’s financial stability and sustainability. The Bank endeavours to maintain the appropriate level of capital that is adequate to support our risk profile, regulatory requirements and business needs.

The Bank’s capital management philosophy is to optimize its capital structure given the peculiarities of its risk profile, by maintaining adequate levels of capital to cater for all unexpected losses, beyond meeting regulatory requirements. This philosophy guides the Bank’s Internal Capital Adequacy Assessment Process (ICAAP), which sets internal capital targets and defines strategies for achieving those targets consistent with our risk appetite, business plans and operating environment. As part of this process, we have implemented a program of enterprise-wide stress testing to evaluate the income and capital (economic and regulatory) impacts of several potential stress events.

In the Bank, capital allocations are approved at the Board level and are monitored daily by the Bank’s management.

The Central Bank of Nigeria (CBN) has an oversight function and monitors all banks operating in Nigeria to ensure compliance with capital adequacy requirements. At every point in time, the Bank ensures that it has sufficient capital above the regulatory capital to hedge against any unanticipated shocks. The bank conducts the Internal Capital Adequacy Assessment annually as defined by the CBN.

The Bank’s regulatory capital comprises of two tiers:

- Tier 1 capital: share capital, statutory reserve, retained earnings, reserves created by appropriations of retained earnings and other disclosed reserves.



- Tier 2 capital: qualifying subordinated debt, unrealized gains arising on the fair valuation of equity instruments held through other comprehensive income (OCI). Investments in capital of other banks and financial institutions are deducted from Tier 1 and Tier 2 capital to arrive at the regulatory capital.

Capital adequacy ratio

The Bank’s capital adequacy ratio is the quotient of its capital to the risk weighted asset. The Central Bank of Nigeria requires a minimum limit of 10% of total qualifying capital to Risk weighted assets maintained by a Nigerian bank with regional authorisation.

The table below summarises the composition of regulatory capital and the ratios of the Bank for the years presented below:

| FIGURES IN THOUSANDS OF NAIRA                                                         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------------------------------------------------|------------------|------------------|
| Tier 1 capital                                                                        |                  |                  |
| Share capital                                                                         | 20,902,917       | 19,560,060       |
| Share premium                                                                         | 29,619,817       | 21,562,674       |
| Statutory reserves*                                                                   | 47,297,771       | 39,613,209       |
| Deposit for shares                                                                    | -                | 9,400,000        |
| Retained earnings                                                                     | 41,712,835       | 39,441,010       |
| Total qualifying for tier 1 capital                                                   | 139,533,340      | 129,576,954      |
| Less regulatory deductions                                                            |                  |                  |
| Intangible assets                                                                     | (3,483,603)      | (2,359,554)      |
| Deferred tax asset                                                                    | (1,086,920)      | (2,559,135)      |
| Excess exposure(s) over single obligor without CBN approval                           | (4,181,066)      | -                |
| Adjusted Total qualifying Tier 1 capital                                              | 130,781,751      | 129,576,954      |
| Tier 2 capital                                                                        |                  |                  |
| Other Qualifying Capital                                                              | -                | 15,789,907       |
| Fair value reserves                                                                   | 9,286,224        | 2,366,289        |
| Adjusted Total qualifying Tier 2 capital                                              | 9,286,224        | 18,156,196       |
| Total regulatory capital                                                              | 140,067,975      | 142,814,461      |
| Statutory reserve comprises of SMEEIS reserve, AGSMEIS reserve and statutory reserve. |                  |                  |
| FIGURES IN THOUSANDS OF NAIRA                                                         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
| Risk weighted amount for credit risk                                                  | 976,307,828      | 756,958,035      |
| Risk weighted amount for operational risk                                             | 192,384,918      | 121,625,017      |
| Risk weighted amount for market risk                                                  | 15,247,586       | 5,351,607        |
| Total risk-weighted assets                                                            | 1,183,940,33     | 883,934,660      |
| Capital Ratios                                                                        |                  |                  |
| Total regulatory capital expressed as a percentage of total risk-weighted assets      | 11.83%           | 16.16%           |
| Total tier 1 capital expressed as a percentage of risk-weighted assets                | 11.05%           | 14.10%           |



● **3.10 Operational Risk**

Providus Bank defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Our operational risk processes capture the following major types of losses:

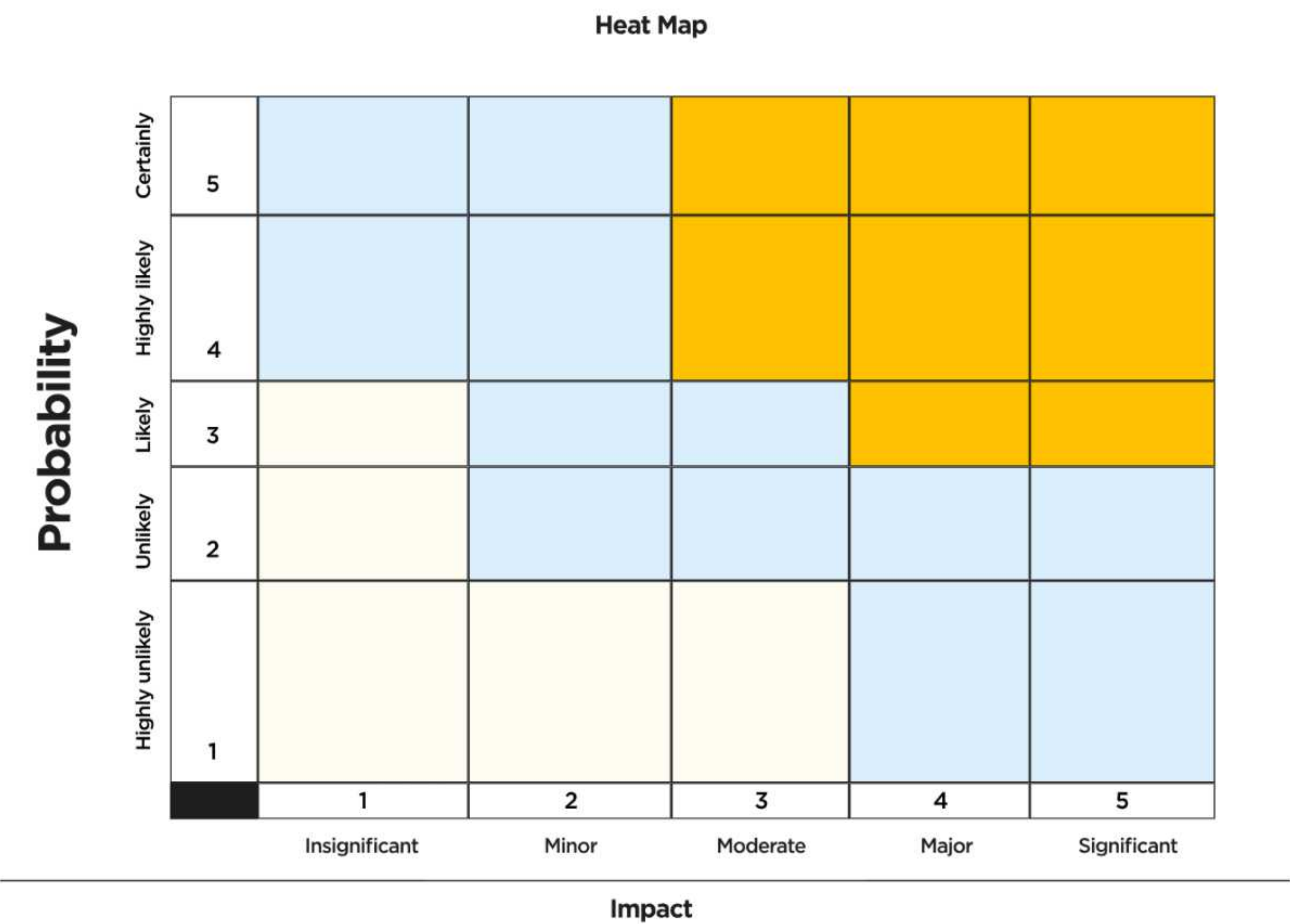
- Fraud (internal and external)
- Fines, penalties or expenses incurred as a result of settlement delays and regulatory infractions
- Losses arising from litigation processes including out-of-court settlements
- Un-reconciled cash (Teller, Vault, ATM) shortages written-off in the course of the year
- Losses incurred as a result of damages to assets
- Losses incurred as a result of system downtime, malfunction and/or disruption

The Bank has a broad and adequate Operational Risk management framework which defines the set of activities designed to proactively identify, assess and manage all operational risk components by driving an alignment along its people, technology and processes using best risk management practises with the aim of sustaining and enhancing stakeholders value and industry significance. The Bank's appetite for operational risk losses is set by the Board Risk Management Committee and would be reviewed every 2 years or when the need arises. This sets the tone for operational risk management practices for each year and is vigorously pursued by the Chief Risk Officer. The Bank continues to maintain a conservative approach to risk and losses and this is adequately monitored across the Bank's branches and H/O, through effective KRI (Key Risk Indicators) and loss data collation. This conservative approach to risk drives the required culture for risk ownership and consciousness across the Bank.

Providus Bank through its operational risk team constantly conducts reviews to identify and assess its inherent risk in all processes, systems, products, activities and businesses. This is achieved through the Risk and control self assessment (RCSA) process which is carried out in conjunction with the risk owners and stems from the objective of ensuring risk ownership across all the areas of the Bank. This further accentuates the right culture to risk across the organisation. The RCSA provides detailed overview of the dimensions of risks as well as understanding the level of existing controls available to manage such risks. Providus Bank has documented robust Risk and Control Self Assessment (RCSA) across all its functions (sales and support). The document which will be updated annually enables the bank to assess the adequacy of existing controls and attendant actions required to manage residual risks. Key Risk Indicators (KRIs) have also been developed at enterprise and functional levels to proactively evaluate the likelihood and impact of a risk crystallising on the bank. Both the RCSA and KRIs are measured in the Key Performance Indicators (KPIs) designed for all staff to ensure Operational risk losses are significantly managed within the tolerance limit defined by the board.

The Bank has set minimum requirements for managing operational risk through the Bank's risk management and governance standards. These requirements have been fully implemented and embedded across the Bank's operations. In addition to meeting the Bank minimum standards, the operational risk framework sets out a structured and consistent approach for managing operational risk across the Bank. The enterprise KRIs are reported monthly in a dashboard format to the Risk Management Committee for preventive actions. This will be notified to the board quarterly in line with the Bank's governance structure. The heat map that guides the tracking of operational risk losses along the likelihood of occurrence and severity of impact is as shown below:





● 4 Use of estimates and judgements

The Bank’s financial statements and its financial result are influenced by accounting policies, assumptions, estimates and management judgement, which necessarily have to be made in the course of preparing the financial statements. The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. All estimates and assumptions required in conformity with IFRS accounting standards are best estimates undertaken in accordance with the applicable standard.

Estimates and judgments are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Bank makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Accounting policies and management’s judgements for certain items are especially critical for the Bank’s results and financial situation due to their materiality.

Sources of estimation uncertainties

A. Impairment losses on loans and advances

Measurement of the expected credit loss allowance for financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 2.10 and 3.2.



A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Determining the credit risk grades;
- Generating the term structure of the probability of default;
- Determining whether credit risk has increased significantly;
- Incorporation of forward-looking information;
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Bank in the above areas is set out in note 2.10 and 3.2.

## **B. Fair value measurement**

The valuation techniques for fair value measurement of financial instruments have been assessed by the respective valuation committees at a business unit and Bank level to determine the impact that the market volatility has had on the fair value measurements of these instruments.

When assessing the fair value measurement of financial instruments for this period, the valuation models have been built to take into consideration inputs that are reflective of market participant input as opposed to Bank-specific inputs. The appropriateness of the inputs to valuations, which include the use of correlations, price volatilities, funding costs and bid-offer spreads, price earnings multiples, counterparty and own credit spreads, was also considered. Changes in valuation inputs have also been considered in terms of the impact they have on the classification of exposures in the fair value hierarchy, transfers within the fair value hierarchy and the level 3 sensitivity analysis that may be required if applicable.

## **C. Income taxes**

The Bank is subject to income taxes under Nigeria tax laws. Significant estimates are required in determining the bankwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises 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.

## **D. Deferred tax assets and liabilities**

The deferred tax assets and liabilities recognized by the Bank is dependent on the availability of taxable profit in the foreseeable future to utilize the deferred tax. The Bank reviews the carrying amount of the deferred tax at the end of each reporting period and recognizes an amount such that it is probable that sufficient taxable profit will be available which the Bank can use the benefit therefrom.

In determining the deferred tax assets recognized in the financial statements, the Bank has applied judgement in estimating the deferred tax recoverable in the foreseeable future. This involves the estimation of future income and expenses, and the consideration of non-taxable income and disallowable expenses in order to arrive at the future taxable profit or loss.



E. Prudential adjustments

Provisions under prudential guidelines are determined using the time-based provisioning specified by the revised Prudential Guidelines issued by the Central Bank of Nigeria. This is at variance with the expected credit loss (ECL) model required under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS accounting standards when IFRS accounting standards is adopted. However, Banks would be required to comply with the following:

- (a) Expenses for loan losses recognised in the profit or loss account should be determined based on the relevant IFRS accounting standards. However, the allowance for loan losses determined under the IFRS accounting standards should be compared with the loan loss provisions determined under the prudential guidelines. The differences between both provisions should be treated as follows:
  - (i) Where prudential provisions is greater than IFRS accounting standards provisions, the resulting difference should be transferred from the general reserve account to a non- distributable regulatory credit risk reserve.
  - (ii) Where prudential provisions is less than IFRS accounting standards provisions, the IFRS accounting standards determined provision is charged to the statement of statement of profit or loss. The cumulative balance in the regulatory risk reserve is thereafter transferred to the general reserve account.
- (b) The non-distributable reserve is classified under Tier 1 as part of the core capital for the purpose of determining capital adequacy.

In the guidelines to IFRS implementation, the Central Bank of Nigeria (CBN) directed banks to maintain a regulatory credit risk reserve in the event that the impairment on loans determined using the CBN prudential guideline is higher than the impairment determined using IFRS principles.

| PROVISION FOR LOAN LOSSES PER PRUDENTIAL GUIDELINES |                  |                  |
|-----------------------------------------------------|------------------|------------------|
| In thousands of Naira Loans and advances:           | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
| Specific provision on loans and advances            | 25,151,475       | 26,730,022       |
| General provision on loans and advances             | 18,912,555       | 13,326,444       |
| Other financial assets*                             | 16,989,751       | 1,887,943        |
| (A)                                                 | 61,053,781       | 41,944,409       |
|                                                     | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
| Impairment assessment under IFRS Loans and advances |                  |                  |
| 12-months ECL credit                                | 6,924,391        | 9,272,994        |
| Life-time ECL not impaired                          | 4,163,557        | 6,359,176        |
| Life- time ECL credit impaired                      | 8,600,752        | 10,560,793       |
|                                                     | 19,688,700       | 26,192,963       |
| Investment securities- 12 months ECL                | 5,736,797        | 4,738,805        |
| Other financial assets- ECL allowance               | 18,211,192       | 3,801,586        |
| Off Balance Sheet Exposures- 12 months ECL          | 3,542,567        | 591,549          |
| (B)                                                 | 47,179,257       | 35,324,903       |



|                                                         |            |             |
|---------------------------------------------------------|------------|-------------|
| Required Amount in Risk Reserve : ( D ) = (A) - (B)     | 13,874,524 | 6,619,506   |
| Amount in Regulatory Risk Reserve1 SOCIE - (Note 34.4a) | 6,619,506  | 11,349,487  |
| Reversal from retained earnings at year end             | 7,255,018  | (4,729,981) |

Regulatory Risk Reserve refers to the difference between the Provision assessment under CBN Prudential Guideline and impairment assessment under IFRS accounting standards.

|                                          |                  |                  |
|------------------------------------------|------------------|------------------|
| 5 Interest income                        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                          | ₦'000            | ₦'000            |
| Cash and bank balances                   | 76,903,440       | 19,309,457       |
| Loans and advances to customers:         | -                | -                |
| -Term loans                              | 131,013,496      | 91,408,220       |
| -Overdraft                               | 65,476,189       | 10,560,793       |
| Other financial assets at amortised cost | 63,490,239       | 10,560,793       |
|                                          | 336,883,364      | 188,025,058      |
| Interest income                          | 336,883,364      | 188,025,058      |
|                                          | 336,883,364      | 188,025,058      |
| Geographical location                    | -                | -                |
| Interest income earned in Nigeria        | 336,883,364      | 188,025,058      |

|                            |                  |                  |
|----------------------------|------------------|------------------|
| 6 Interest expense         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                            | ₦'000            | ₦'000            |
| Deposits from customers    | 65,873,953       | 65,373,019       |
| Debt securities issued     | 13,843,975       | 801,133          |
| Borrowed funds             | 186,719,724      | 69,692,970       |
| Lease liabilities          | 211,902          | 81,623           |
| Trade related obligations* | 262,168          | 1,251,225        |
|                            | 266,911,722      | 137,199,970      |

\* Trade related obligations relate to interest expense on obligations due to foreign financial institutions.

|                                                                                |                  |                  |
|--------------------------------------------------------------------------------|------------------|------------------|
| 7 Impairment on financial assets                                               | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                                                | ₦'000            | ₦'000            |
| Impairment (write-back)/charge on loans and advances to custom note 19.1       | (6,504,263)      | 65,373,019       |
| Impairment charge on other asset note 22.1                                     | 14,409,606       | 801,133          |
| Impairment charge/(write-back) on financial assets at amortised cost note 20.1 | 1,843,624        | 69,692,970       |
| Impairment (write-back)/charge on financial assets at FVOCI note 34.5          | (1,771,240)      | 4,279,099        |
| Impairment charge on placement note 17                                         | 925,608          | -                |
| Impairment charge on off balance sheet items note 31                           | 2,951,018        | 192,852          |
|                                                                                | 11,854,353       | 18,860,943       |



| 8 Fee and commission income                 | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------|------------------|------------------|
|                                             | ₦'000            | ₦'000            |
| Credit related fees                         | 2,357,660        | 6,636,870        |
| Account maintenance charge                  | 10,512,094       | 6,058,288        |
| Non-digital banking services                | 9,649,868        | 9,112,866        |
| Digital banking services                    | 12,841,104       | 7,671,823        |
| Other fees and commission income            | 64,235           | 11,391           |
| Total revenue from contracts with customers | 35,424,961       | 29,491,238       |

The representation of all fees and commission recognised during the year and prior year at a point in time and over time are shown below:

|                                             |            |            |
|---------------------------------------------|------------|------------|
| Over time                                   | 15,045,901 | 12,695,158 |
| Point in time                               | 20,379,060 | 16,796,080 |
| Total revenue from contracts with customers | 35,424,961 | 29,491,238 |

| 9 Fee and commission expense      | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|-----------------------------------|------------------|------------------|
|                                   | ₦'000            | ₦'000            |
| Bank charges                      | 2,164,658        | 1,297,168        |
| Other fees and commission expense | 2,443,665        | 690,623          |
|                                   | 4,608,323        | 1,987,791        |

| 10 Net trading gains                              | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------------|------------------|------------------|
|                                                   | ₦'000            | ₦'000            |
| Fair value gain on bonds at FVTPL                 | 2,923,775        | -                |
| Fair value gain on investment securities at FVTPL | 7,639,235        | 5,869,631        |
| Fair value gain on treasury bills at FVTPL        | 26,065,310       | 15,438,555       |
|                                                   | 36,628,320       | 21,308,186       |

| 11 Other operating (expenses)/income       | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|--------------------------------------------|------------------|------------------|
|                                            | ₦'000            | ₦'000            |
| Non-operating income                       |                  |                  |
| Gain on disposal of property and equipment | 78,442           | 16,069           |
| Gain on disposal of investment property    | 1,986,974        | -                |
|                                            | 2,065,416        | 16,069           |
| Operating income                           |                  |                  |
| Foreign exchange (loss)/gain               | (9,539,001)      | 30,131,785       |
| Other income                               | 112,920          | 182,209          |
|                                            | (9,426,081)      | 30,313,994       |
|                                            | (7,360,665)      | 30,330,063       |



| 12 Personnel expenses                       | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------|------------------|------------------|
|                                             | ₦'000            | ₦'000            |
| Wages and salaries                          | 22,977,317       | 16,797,476       |
| Contributions to defined contribution plans | 550,213          | 395,694          |
|                                             | 23,527,530       | 17,193,170       |

| 12.1: Employees, other than directors, received remuneration in the following ranges:          | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|------------------------------------------------------------------------------------------------|------------------|------------------|
| ₦900,001 - ₦3,990,000                                                                          | -                | 375              |
| ₦3,900,001 - ₦10,990,000                                                                       | 222              | 470              |
| ₦10,990,001 - ₦30,990,000                                                                      | 943              | 513              |
| ₦30,990,001 - ₦40,910,000                                                                      | 31               | 29               |
| ₦40,910,001 - ₦50,910,000                                                                      | 36               | 20               |
| ₦50,910,001 - ₦60,910,000                                                                      | 15               | -                |
| ₦60,910,001 - ₦70,910,000                                                                      | 7                | 7                |
| ₦70,910,001 - ₦80,910,000                                                                      | 8                | 4                |
| ₦80,910,001 - ₦90,910,000                                                                      | -                | -                |
| ₦90,910,001 - ₦110,910,000                                                                     | 9                | 6                |
| ₦110,910,001 - ₦200,910,000                                                                    | 6                | 1                |
| ₦200,910,001 - ₦300,910,000                                                                    | 4                | 2                |
|                                                                                                | 1,281            | 1,427            |
| The number of persons other than directors, in employment at the bank as at the year comprise: |                  |                  |
| Managerial                                                                                     | 196              | 148              |
| Other staff                                                                                    | 1,085            | 1,279            |
|                                                                                                | 1,281            | 1,427            |

| 13 Other operating expenses        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|------------------------------------|------------------|------------------|
|                                    | ₦'000            | ₦'000            |
| Advertising and business promotion | 3,979,016        | 2,189,341        |
| Loyalty rewards paid to customers  | 3,304,673        | 12,573,080       |
| Transport, travel, accommodation   | 3,850,310        | 1,521,563        |
| Human capital related expenses     | 673,048          | 916,885          |
| Insurance costs                    | 953,593          | 530,575          |
| Legal fees                         | 790,284          | 337,406          |
| Professional fees                  | 3,761,848        | 1,610,163        |
| NDIC insurance premium             | 6,775,664        | 4,652,616        |
| Repairs and maintenance            | 1,506,025        | 1,223,539        |
| Motor vehicle repairs cost         | 388,500          | 282,782          |
| Stationery and printing            | 756,975          | 896,018          |



| 13 Other operating expenses (cont'd.)             | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------------|------------------|------------------|
|                                                   | ₦'000            | ₦'000            |
| Contract staff expenses                           | 3,130,481        | 2,728,051        |
| Contract services                                 | 655,191          | 418,581          |
| Staff training cost                               | 595,031          | 745,080          |
| Charities and donations                           | 2,397,094        | 2,026,721        |
| Directors' related expenses                       | 1,055,923        | 1,798,140        |
| Office expenses                                   | 5,387,833        | 1,642,756        |
| Short term leases*                                | 103,287          | 78,402           |
| Occupancy cost- Rates                             | 970,700          | 696,336          |
| Auditors remuneration                             | 160,000          | 120,000          |
| ICT Expense                                       | 6,697,915        | 4,708,154        |
| Bank and Swift Charges                            | 1,847,264        | 2,297,106        |
| POS acquirer expense                              | 2,628,150        | 798,408          |
| Penalties for non-compliance with banking note 38 | 2,572,766        | 474,750          |
| Corporate Social Responsibility                   | 69,818           | 43,285           |
| AGM Expenses                                      | -                | 7,005            |
| Administrative expenses**                         | 2,031,460        | 296,707          |
|                                                   | 57,042,849       | 45,613,450       |

\*Short term leases relate to rental agreements for less than one year (12 months).  
\*\* Administrative expenses include business development expense, strategy & related expenses, entertainment & related expenses.

| 14 Depreciation and amortisation                 | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|--------------------------------------------------|------------------|------------------|
|                                                  | ₦'000            | ₦'000            |
| Depreciation of property and equipment (note 24) | 9,916,500        | 6,472,315        |
| Depreciation right-of-use-asset (note 25)        | 362,864          | 225,605          |
| Amortisation of intangible assets (note 26)      | 1,342,032        | 982,358          |
|                                                  | 11,621,396       | 7,680,278        |

**15 Earnings per share**  
Earnings per share (EPS) is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

|                                                   | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------------|------------------|------------------|
|                                                   | ₦'000            | ₦'000            |
| Profit attributable to equity holders ₦'000       | 19,211,405       | 33,037,146       |
| Number of ordinary shares in issue as at year end | 41,805,834       | 39,120,119       |
| Earnings per share (kobo)                         | 40,462,977       | 40,462,977       |
| Earnings per share (kobo)                         | 47               | 82               |

The Bank does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS operations are the same for the Bank.



| 16 Cash and bank balances               | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|-----------------------------------------|------------------|------------------|
|                                         | ₩000             | ₩000             |
| Cash in vault                           | 39,897,460       | 15,900,867       |
| Unrestricted balances with central bank | 10,064,330       | 3,527,041        |
|                                         | 49,961,790       | 19,427,908       |

The Providus Bank balances are assessed to be in scope 1 because the financial impairment test is conducted internally and the 100% even recognition.

| 16.1 Cash and cash equivalents in statements of cashflows include: | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|--------------------------------------------------------------------|------------------|------------------|
|                                                                    | ₩000             | ₩000             |
| Cash in vault                                                      | 39,897,460       | 15,900,867       |
| Unrestricted balances with central bank                            | 10,064,330       | 3,527,041        |
| Balances held with other banks                                     | 142,362,571      | 221,326,618      |
| Money market placements                                            | 929,218,045      | 308,892,578      |
|                                                                    | 1,121,542,406    | 549,647,104      |

| 17 Due from other financial institutions | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|------------------------------------------|------------------|------------------|
|                                          | ₩000             | ₩000             |
| Balances held with other banks           | 142,362,571      | 221,326,618      |
| Money market placements                  | 929,218,045      | 308,892,578      |
|                                          | 1,071,580,616    | 530,219,196      |
| Impairment on placements                 | (925,608)        | -                |
|                                          | 1,070,655,008    | 530,219,196      |

| 18 Financial assets at fair value           | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------|------------------|------------------|
|                                             | ₩000             | ₩000             |
| Gross Amount                                |                  |                  |
| Treasury bills at fair value                | 370,197,134      | 74,136,442       |
| Bonds at fair value                         | 102,666,666      | 32,597,466       |
| Promissory note at fair value               | 4,311,226        | 10,893,363       |
| Total Gross Amount                          | 477,175,026      | 117,627,271      |
| Movement of Financial assets at fair value  |                  |                  |
| Opening balance                             | 117,627,271      | 75,893,163       |
| Additions to Treasury bills at fair value   | 345,438,496      | 84,320,398       |
| Additions to Bonds at fair value            | 79,745,697       | 32,778,314       |
| Additions to Promissory notes at fair value | 3,676,884        | 11,700,000       |
| Disposal of Treasury bills at fair value    | (84,320,398)     | (65,839,503)     |
| Disposal of Bonds at fair value             | (13,597,589)     | (16,000,000)     |
| Disposal of Promissory notes at fair value  | (11,700,000)     | -                |
| Fair value loss                             | 40,304,665       | (5,225,101)      |
| Closing balance                             | 477,175,026      | 117,627,271      |



| 18 Financial assets at fair value (cont'd.) | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------|------------------|------------------|
|                                             | ₦'000            | ₦'000            |
| Current                                     | 334,022,518      | 85,029,806       |
| Non-current                                 | 143,152,508      | 32,597,466       |
|                                             | 477,175,026      | 117,627,272      |

| 19 Loans and advances at amortised cost | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|-----------------------------------------|------------------|------------------|
|                                         | ₦'000            | ₦'000            |
| Term loans                              | 679,457,307      | 646,324,730      |
| Overdrafts                              | 301,073,363      | 180,695,460      |
| Gross loan                              | 980,530,670      | 827,020,190      |
| Impairment allowance: Term loans        | (15,343,873)     | (22,752,116)     |
| Impairment allowance: Overdrafts        | (4,344,827)      | (3,440,847)      |
| Total impairment                        | (19,688,700)     | (26,192,963)     |
| Net loans and advances to customers     |                  |                  |
| Term loans                              | 664,113,434      | 623,572,614      |
| Overdrafts                              | 296,728,536      | 177,254,613      |
| Carrying amount                         | 960,841,970      | 800,827,227      |

| 19.1 Movement in impairment on loans and advances | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------------------------------|------------------|------------------|
|                                                   | ₦'000            | ₦'000            |
| Opening balance                                   | 26,192,963       | 12,464,761       |
| (Writeback)/charge for the year                   | (6,504,263)      | 13,728,202       |
| Closing balance                                   | 19,688,700       | 26,192,963       |
| Current                                           | 534,539,228      | 433,615,462      |
| Non-current                                       | 426,302,742      | 367,211,765      |
|                                                   | 960,841,970      | 800,827,227      |

| 19.2 Loan loss allowance reconciliation for current period: |             |             |             |              |
|-------------------------------------------------------------|-------------|-------------|-------------|--------------|
| Figures in thousands of naira                               | Stage 1     | Stage 2     | Stage 3     | Total        |
|                                                             | ₦'000       | ₦'000       | ₦'000       | ₦'000        |
| December 2025                                               |             |             |             |              |
| Term loans                                                  | 554,100,482 | 67,242,508  | 58,114,317  | 679,457,307  |
| Overdrafts                                                  | 237,707,912 | 39,896,109  | 23,469,342  | 301,073,363  |
| Gross Loan                                                  | 791,808,394 | 107,138,617 | 81,583,659  | 980,530,670  |
| Impairment charge                                           | (6,924,391) | (4,163,557) | (8,600,752) | (19,688,700) |
| Carrying amount                                             | 784,884,003 | 102,975,060 | 72,982,907  | 960,841,970  |



| 19.2 Loan loss allowance reconciliation for current period (cont'd.) |             |             |             |             |
|----------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| Impairment                                                           |             |             |             |             |
| Opening balance                                                      | 9,272,994   | 6,359,176   | 10,560,793  | 26,192,963  |
| Movement in impairment                                               | (2,348,603) | (2,195,619) | (1,960,041) | (6,504,263) |
| Closing balance                                                      | 6,924,391   | 4,163,557   | 8,600,752   | 19,688,700  |

| 19.3 Loan loss allowance reconciliation for comparative period: |             |             |              |              |
|-----------------------------------------------------------------|-------------|-------------|--------------|--------------|
| Figures in thousands of naira                                   | Stage 1     | Stage 2     | Stage 3      | Total        |
|                                                                 | N'000       | N'000       | N'000        | N'000        |
| December 2024                                                   |             |             |              |              |
| Term loans                                                      | 486,615,198 | 89,192,717  | 70,516,815   | 646,324,730  |
| Overdrafts                                                      | 138,729,490 | 34,196,992  | 7,768,978    | 180,695,460  |
| Gross Loan                                                      | 625,344,688 | 123,389,709 | 78,285,793   | 827,020,190  |
| Impairment charge                                               | (9,272,994) | (6,359,176) | (10,560,793) | (26,192,963) |
| Carrying amount                                                 | 616,071,694 | 117,030,533 | 67,725,000   | 800,827,227  |
| Impairment                                                      |             |             |              |              |
| Opening balance                                                 | 6,555,600   | 2,533,399   | 3,375,762    | 12,464,761   |
| Movement in impairment                                          | 2,717,394   | 3,825,777   | 7,185,031    | 13,728,202   |
| Closing balance                                                 | 9,272,994   | 6,359,176   | 10,560,793   | 26,192,963   |

| 20 Other financial assets at amortised cost                   |                  |                  |
|---------------------------------------------------------------|------------------|------------------|
|                                                               | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                               | N'000            | N'000            |
| Treasury bills                                                | 280,885,257      | 79,208,016       |
| FGN bonds                                                     | 185,396,537      | 173,276,857      |
| State bonds                                                   | 7,872,859        | 5,417,000        |
| Promissory note                                               | 9,295,253        | 27,857,430       |
| Commercial papers                                             | 4,890,387        | 4,395,674        |
| Gross investment securities                                   | 488,340,293      | 290,154,977      |
| Total impairment charge on financial assets at amortised cost | (2,303,330)      | (459,706)        |
| Net financial assets at amortised cost                        | 486,036,963      | 289,695,271      |
| Non-current                                                   | 382,594,692      | 186,253,000      |
| Current                                                       | 103,442,271      | 103,442,271      |
|                                                               | 486,036,963      | 289,695,271      |



| 20.1 Movement in impairment charge              |                 |                    |                 |                 |                    |                 |
|-------------------------------------------------|-----------------|--------------------|-----------------|-----------------|--------------------|-----------------|
| Impairment                                      | 2025            |                    |                 | 2024            |                    |                 |
|                                                 | Opening balance | Charge/(writeback) | Closing balance | Opening balance | Charge/(writeback) | Closing balance |
|                                                 | N'000           | N'000              | N'000           | N'000           | N'000              | N'000           |
| Impairment charge on treasury bills             | 37,504          | 463,129            | 500,633         | 155,027         | (117,523)          | 37,504          |
| Impairment charge on FGN bonds                  | 370,808         | 1,151,359          | 1,522,167       | 1,236,386       | (865,578)          | 370,808         |
| Impairment charge on State bonds                | 16,590          | 222,789            | 239,379         | 22,268          | (5,678)            | 16,590          |
| Impairment charge on commercial papers          | 8,472           | 16,309             | 24,781          | -               | 8,472              | 8,472           |
| Impairment charge on promissory notes           | 26,332          | (9,962)            | 16,370          | 212,837         | (186,505)          | 26,332          |
| Total impairment charge on investment securitie | 459,706         | 1,843,624          | 2,303,330       | 1,626,518       | (1166,812)         | 459,706         |

| 21 Cash reserve balance with Central Bank of Nigeria | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|------------------------------------------------------|------------------|------------------|
|                                                      | N'000            | N'000            |
| Balances with CBN                                    | 669,289,252      | 579,614,616      |
| Non-current                                          | 669,289,252      | 579,614,616      |

This represents mandatory cash deposit held with the Central Bank of Nigeria as a regulatory Cash Reserve Requirements (CRR) ₦579.6 billion (2023: ₦496.902 billion). Mandatory reserve deposits are not available for use in the Bank's day-to-day operations.

| 22 Other assets                           |                  |                  |
|-------------------------------------------|------------------|------------------|
|                                           | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                           | N'000            | N'000            |
| Non-financial assets                      |                  |                  |
| Prepayments                               | 35,153,291       | 6,036,408        |
| Prepaid employee benefits                 | 14,188,853       | 8,588,423        |
| Repossessed assets                        | 2,355,000        | 2,355,000        |
| Currency position                         | -                | 646              |
| Other accounts receivable                 | 2,121,844        | 1,886,870        |
|                                           | 53,818,988       | 18,867,347       |
| Financial assets                          |                  |                  |
| Factored Loan                             | 898,699          | 898,699          |
| LC Settlement receivable                  | -                | 24,602,782       |
| Settlement balances with payment switches | 85,185,673       | 11,363,252       |
| Other receivables*                        | 11,726,003       | 818,478          |
| Other financial assets**                  | 83,762,279       | 86,830,844       |
| Contribution to AGSMEIS*                  | 3,285,037        | 1,107,717        |
|                                           | 184,857,691      | 125,621,772      |
| Impairment allowance on other assets****  | (18,211,192)     | (3,801,586)      |
|                                           | 166,646,499      | 121,820,186      |
| Total other assets                        | 220,465,487      | 140,687,533      |



| 22 Other assets (cont'd.) |             |             |
|---------------------------|-------------|-------------|
| Current                   | 163,601,325 | 130,021,944 |
| Non-current               | 56,864,162  | 10,665,589  |
|                           | 220,465,487 | 140,687,533 |

\*Other receivables includes loan and advances that have been fully providedfor which are pending board approval for write-off.  
\*\*Other financialassets includes undelivered FX forwards ₦43.9 billion(2024: ₦57.7 billion), receivable from Oceangate oil & gas limited of ₦10.1 billion (2024:Nil) and receivables from third partiesfrom sale of properties.  
\*\*\*Contribution to AGSMEISE is maintained to support the Federal Government’s effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all DepositMoney Banks (DMBs)are required to set aside 5% of theirProfit After Tax for equityinvestment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with CBN.

Included in prepayments are pre-operating expenses of NGN 25.5 billion incurred for the purpose of the potential merger between Providus Bank Limited and Unity Bank.

| 22.1 Movement in impairment of other assets |                |                   |                        |            |                |                   |                        |           |
|---------------------------------------------|----------------|-------------------|------------------------|------------|----------------|-------------------|------------------------|-----------|
|                                             | 2025           |                   |                        |            | 2024           |                   |                        |           |
|                                             | Factored loans | Other receivables | Other financial assets | Total      | Factored loans | Other receivables | Other financial assets | Total     |
|                                             | ₦'000          | ₦'000             | ₦'000                  | ₦'000      | ₦'000          | ₦'000             | ₦'000                  | ₦'000     |
| Opening balance                             | 898,699        | 818,478           | 2,084,409              | 3,801,586  | 897,937        | 268,007           | 808,040                | 1,973,984 |
| Charge to profit or loss (note 7)           | 112,338        | 10,907,525        | 3,389,743              | 14,409,606 | 762            | 550,471           | 1,276,369              | 1,827,602 |
| Closing balance                             | 1,011,037      | 11,726,003        | 5,474,152              | 18,211,192 | 898,699        | 818,478           | 2,084,409              | 3,801,586 |

| 23 Investment properties            |                  |                  |
|-------------------------------------|------------------|------------------|
|                                     | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                     | ₦'000            | ₦'000            |
| Opening balance                     | -                | 3,264,527        |
| Disposal during the year            | -                | -                |
| Revaluation gain                    | -                | -                |
| Transfer from investment properties | -                | (3,264,527)      |
|                                     | -                | -                |
| Non-current                         | -                | -                |

Investment property comprised a commercial property held for the purpose of capital appreciation and rental income and are carried at fair value. The valuation determined by external, independent professional valuers, Messrs. Wale Opejin & Co (FRC/2013/NIESV/00000003505 ) as at 30th March 2023, had been reclassified from Investment properties.  
There was no rental income earned on investment property during the year. Also, no direct operating expenses were incurred on the investment properties.



| 23.1 Assets classified as held for sale |                  |                  |
|-----------------------------------------|------------------|------------------|
|                                         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                         | N'000            | N'000            |
| Opening balance                         | (3,264,527)      | -                |
| Additions during the year               | -                | -                |
| Disposal during the year                | (3,264,527)      | -                |
| Transfer to assets held for sale        | -                | 3,264,527        |
|                                         | -                | 3,264,527        |
| Non-current                             | -                | 3,264,527        |

The professional valuer engaged for the preparation of the valuation reports is Wale Opejin & Co (FRC/2013/NIESV/00000003505). This largely comprises of Land and buidings which the bank is committed to sell.

| 24 Property and equipment          |                            |                       |                   |                      |                |                   |                  |             |
|------------------------------------|----------------------------|-----------------------|-------------------|----------------------|----------------|-------------------|------------------|-------------|
| Figures in thousands of Naira      |                            |                       |                   |                      |                |                   |                  |             |
|                                    | Leasehold land & buildings | Leasehold improvement | Plant & machinery | Furniture & fittings | Motor vehicles | Computer hardware | Work-in-progress | Total       |
| Cost                               |                            |                       |                   |                      |                |                   |                  |             |
| At 1 January 2025                  | 16,950,319                 | 11,441,205            | 10,184,074        | 4,348,065            | 14,643,615     | 6,583,693         | 26,929,521       | 91,080,492  |
| Additions                          | 10,493,813                 | 1,903,457             | 2,671,927         | 294,062              | 5,620,664      | 561,786           | 6,309,026        | 27,854,735  |
| Reclassification                   | 925,506                    | 1,925,300             | 1,347,274         | 776,295              | 56,000         | 4,002,103         | (9,032,478)      | -           |
| Disposals                          | -                          | -                     | (5,733)           | -                    | (1,000,944)    | -                 | -                | (1,006,677) |
| Writeoff                           | -                          | -                     | -                 | -                    | -              | -                 | (1,957,245)      | (1,957,245) |
| At 31 December 2025                | 28,369,638                 | 15,269,962            | 14,197,542        | 5,418,422            | 19,319,335     | 11,147,582        | 22,248,824       | 115,971,305 |
| Accumulated depreciation           |                            |                       |                   |                      |                |                   |                  |             |
| At 1 January 2025                  | 203,558                    | 2,203,836             | 4,033,128         | 1,593,828            | 4,986,831      | 3,174,329         | -                | 16,195,510  |
| Charge for the year                | 456,802                    | 549,094               | 1,976,397         | 724,064              | 3,592,401      | 2,617,742         | -                | 9,916,500   |
| Disposals                          | -                          | -                     | -                 | -                    | (740,005)      | -                 | -                | 1,827,602   |
| Writeoff                           | -                          | -                     | -                 | -                    | -              | -                 | -                | -           |
| At 31 December 2025                | 660,360                    | 2,752,930             | 6,009,525         | 2,317,892            | 7,839,227      | 5,792,071         | -                | 25,372,005  |
| Carrying value at 31 December 2025 | 27,709,278                 | 12,517,032            | 8,188,017         | 3,100,530            | 11,480,108     | 5,355,511         | 22,248,824       | 90,599,300  |
| Cost                               |                            |                       |                   |                      |                |                   |                  |             |
| At 1 January 2024                  | 1,450,319                  | 11,023,250            | 7,194,158         | 3,429,665            | 7,324,075      | 2,849,876         | 7,970,007        | 41,241,350  |
| Additions                          | 15,500,000                 | 202,112               | 2,780,261         | 814,933              | 7,470,250      | 3,650,617         | 19,604,365       | 50,022,538  |
| Reclassification                   | -                          | 215,843               | 214,905           | 103,467              | -              | 90,000            | (624,215)        | -           |
| Disposals                          | -                          | -                     | -                 | -                    | (150,710)      | -                 | -                | (150,710)   |
| Writeoff                           | -                          | -                     | (5,250)           | -                    | -              | (6,800)           | (20,636)         | (32,686)    |
| At 31 December 2024                | 16,950,319                 | 11,441,205            | 10,184,074        | 4,348,065            | 14,643,615     | 6,583,693         | 26,929,521       | 91,080,492  |



| 24 Property and equipment (cont'd.) |            |           |           |           |           |           |            |            |
|-------------------------------------|------------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Accumulated depreciation            |            |           |           |           |           |           |            |            |
| At 1 January 2024                   | 71,210     | 1,759,846 | 2,506,935 | 998,854   | 2,896,652 | 1,645,658 | -          | 1,973,984  |
| Charge for the year                 | 132,348    | 443,990   | 1,531,443 | 594,974   | 2,240,889 | 1,528,671 | -          | 6,472,315  |
| Disposals                           | -          | -         | -         | -         | (150,710) | -         | -          | (150,710)  |
| Writeoff                            | -          | -         | (5,250)   | -         | -         | -         | -          | (5,250)    |
| At 31 December 2024                 | 203,558    | 2,203,836 | 4,033,128 | 1,593,828 | 4,986,831 | 3,174,329 | -          | 16,195,507 |
| Carrying value at 31 December 2024  | 16,746,761 | 9,237,369 | 6,150,946 | 2,754,237 | 9,656,784 | 3,409,364 | 26,929,521 | 74,884,985 |

|             | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|-------------|------------------|------------------|
|             | ₦'000            | ₦'000            |
| Non-current | 90,599,300       | 74,884,985       |

| 25 Right of use assets                    |                  |                  |
|-------------------------------------------|------------------|------------------|
|                                           | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                           | ₦'000            | ₦'000            |
| At January                                | 1,292,292        | 1,014,566        |
| Addition                                  | 639,662          | 277,726          |
| At 31 December                            | 1,931,954        | 1,292,292        |
| Reconciliation to statement of cash flows |                  |                  |
| Additions to right of use assets          | -                | 158,186          |
| Additions to lease liability              | 639,662          | 119,540          |
|                                           | 639,662          | 277,726          |

| 25.1 Depreciation charge                |                  |                  |
|-----------------------------------------|------------------|------------------|
|                                         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                         | ₦'000            | ₦'000            |
| Accumulated depreciation at 1 January   | 679,555          | 453,950          |
| Charge for the year                     | 362,864          | 225,605          |
| Accumulated depreciation at 31 December | 1,042,419        | 679,555          |
| Carrying amount                         | 889,535          | 612,737          |
| Non-current                             | 889,535          | 612,737          |

\*Right of use asset includes office buildings and ATM space.



| 26 Intangible assets                |           |                          |           |
|-------------------------------------|-----------|--------------------------|-----------|
| Figures in thousands of Naira       |           |                          |           |
|                                     | Software  | Capital work in progress | Total     |
| Cost at 1 January 2025              | 6,789,354 | 2,900                    | 6,792,254 |
| Addition                            | 2,466,082 | -                        | 2,466,082 |
|                                     | 9,255,436 | 2,900                    | 9,258,336 |
| Amortisation                        |           |                          |           |
| Opening balance                     | 4,432,701 | -                        | 4,432,701 |
| Charge for the year                 | 1,342,032 | -                        | 1,342,032 |
| Total amortisation at 31 December   | 5,774,733 | -                        | 5,774,733 |
| Carrying value of intangible assets | 3,480,703 | 2,900                    | 3,483,603 |
| Non-current                         | 3,480,703 | 2,900                    | 3,483,603 |
|                                     |           |                          |           |
| Cost at 1 January 2024              | 5,566,354 | 2,900                    | 5,569,254 |
| Addition                            | 1,223,000 | -                        | 1,223,000 |
|                                     | 6,789,354 | 2,900                    | 6,792,254 |
| Amortisation                        |           |                          |           |
| Opening balance                     | 3,450,342 | -                        | 3,450,342 |
| Charge for the year                 | 982,359   | -                        | 982,359   |
| Total amortisation at 31 December   | 4,432,701 | -                        | 4,432,700 |
| Carrying value of intangible assets | 2,356,653 | 2,900                    | 2,359,554 |
| Non-current                         | 2,356,653 | 2,900                    | 2,359,554 |

| 27 Deposits from customers |                  |                  |
|----------------------------|------------------|------------------|
|                            | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                            | ₦'000            | ₦'000            |
| Current accounts           | 1,129,846,885    | 875,994,142      |
| Savings account            | 225,524,463      | 149,592,166      |
| Term deposits              | 242,307,196      | 128,363,632      |
| Domiciliary accounts       | 511,836,319      | 420,521,536      |
|                            | 2,109,514,863    | 1,574,471,476    |
| Current                    | 2,109,126,333    | 1,572,904,404    |
| Non-current                | 388,530          | 1,567,072        |
|                            | 2,109,514,863    | 1,574,471,476    |



| 28 Borrowed funds       |                  |                  |
|-------------------------|------------------|------------------|
|                         | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                         | ₦'000            | ₦'000            |
| Individual*             | 78,709,053       | 68,779,548       |
| On lending facilities** | 1,352,656        | 16,875,057       |
| Non-Individual          | 1,104,581,240    | 533,857,000      |
|                         | 1,184,642,949    | 619,511,605      |
| Non-current             | 78,709,053       | 68,779,548       |
| Current                 | 1,105,933,896    | 550,732,057      |
|                         | 1,184,642,949    | 619,511,605      |

| 28.1 Movement in borrowed funds |                  |                  |
|---------------------------------|------------------|------------------|
|                                 | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                 | ₦'000            | ₦'000            |
| Opening balance                 | 619,511,605      | 181,976,497      |
| Additions                       | 1,167,998,448    | 612,365,347      |
| Interest expense                | 186,719,724      | 69,692,970       |
| Interest paid                   | (171,516,406)    | (62,850,604)     |
| Repayments                      | (618,070,422)    | (181,672,605)    |
|                                 | 1,184,642,949    | 619,511,605      |

\*Individual and Non-individual borrowing relate to fixed term deposits from customers, high interest bearing product as at 31 December 2025 ₦1,183.2b (2024: ₦602.6b)

\*\*On lending facilities relates to borrowings from the Development Bank of Nigeria. Differentiated Cash Reserve Requirement (DCRR) has been disclosed as part of the restricted balances with CBN.

The Bank did not have any defaults of principal or interest or other breaches with respect to its borrowing during the years ended 31 December 2025 and 31 December 2024.

| 29 Taxation                      |                  |                  |
|----------------------------------|------------------|------------------|
| a. Income tax credit             |                  |                  |
|                                  | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                  | ₦'000            | ₦'000            |
| Company income tax               | 3,841,712        | 1,846,524        |
| Tertiary education tax           | 1,152,514        | 554,012          |
| Information technology tax       | 260,098          | 417,868          |
| Nigerian police trust fund levy  | 1,300            | 2,089            |
| NASENI levy                      | 65,025           | 104,467          |
| Windfall levy                    | -                | 4,656,837        |
| Prior period underprovision      | 5,537            | -                |
| Current income tax               | 5,326,186        | 7,581,797        |
| Deferred tax credit for the year | 1,472,216        | -                |
| Income tax charge                | 6,798,402        | 7,581,797        |



| 29 Taxation (cont'd)                                             |                  |                  |
|------------------------------------------------------------------|------------------|------------------|
| b. Current tax liability                                         |                  |                  |
|                                                                  | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                                  | ₦'000            | ₦'000            |
| At 1 January                                                     | 7,975,223        | 1,340,234        |
| Payment during the year                                          | (7,744,606)      | (946,808)        |
| Income tax charge for the year                                   | 5,326,18         | 7,581,797        |
|                                                                  | 5,556,803        | 7,975,223        |
| c. Reconciliation of effective tax rate                          |                  |                  |
| Profit before income tax                                         | 26,009,807       | 40,618,943       |
| Tax calculated at the company income tax rate of 30% (2023: 30%) | 7,802,942        | 12,185,683       |
| Tax calculated at the company income tax rate of 30% (2023: 30%) |                  |                  |
| Non-deductible expenses                                          | 14,534,980       | 6,849,486-       |
| Tax exempt income                                                | (10,812,786)     | (13,613,741)     |
| Information technology levy                                      | 260,098          | 417,868          |
| Tertiary education tax                                           | 1,152,514        | 554,012          |
| Police trust fund levy                                           | 1,300            | 2,089            |
| Windfall levy                                                    | -                | 4,656,837        |
| NASENI Levy                                                      | 65,025           | 104,467          |
| Deferred tax charge                                              | 1,472,216        | -                |
| Effect of tax loss brought forward                               | (7,677,887)      | (3,574,905)      |
| Total tax charge                                                 | 6,798,402        | 7,581,797        |

Uncertain tax position – Application of the Nigeria Tax Act 2025 to the 2025 basis period

In accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, management assessed whether it is probable that the NRS will accept the Company's filing position. In forming its judgment, management considered, among others:

- the effective-date wording in NTA 2025 and established principles that tax laws apply prospectively unless expressly stated otherwise;
- relevant judicial interpretations supporting clarity, certainty, and non-retroactivity in tax law;
- the weight and nature of the NRS administrative letters relative to the underlying statute;
- the possibility that the matter may ultimately require administrative clarification or judicial determination;
- alignment with international best practice and the National Tax Policy on predictability; and
- the range of plausible outcomes and IFRIC 23 measurement considerations.

Based on this assessment, management concluded that it is probable that the Company's position, i.e., applying pre-NTA 2025 rules to the 2025 basis period, will be accepted. Accordingly, the Company's current and deferred tax amounts have been measured on that basis, and no liability for uncertain tax treatments has been recognised.

If NTA 2025 were ultimately determined to apply to the 2025 basis period, the estimated impact would be:

- Company income tax: increase of ₦909m
- Development levy: increase of ₦69m
- Deferred tax assets: decrease of ₦2.2b

The overall effect would be a reduction in profit and net assets of ₦3.2b. Management will continue to monitor developments and reassess this uncertainty as further information becomes available, including any additional administrative guidance or court decisions.



| 30 Debt Securities Issued         |                  |                  |
|-----------------------------------|------------------|------------------|
|                                   | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                   | ₦'000            | ₦'000            |
| Debt securities at amortised cost | 82,093,991       | 15,789,907       |
|                                   | 82,093,991       | 15,789,907       |
| Current                           | 82,093,991       | -                |
| Non-current                       | -                | 15,789,907       |
|                                   | 82,093,991       | 15,789,907       |

| Movement in Debt securities issued:             |                  |                  |
|-------------------------------------------------|------------------|------------------|
|                                                 | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                 | ₦'000            | ₦'000            |
| Net debt as at 1 January                        | 15,789,907       | 9,694,859        |
| Debt securities issued                          | 84,734,884       | -                |
| Repayment of debt securities issued             | (29,628,900)     | -                |
| Total changes from financing cash flows         | 70,895,891       | 9,694,859        |
| The effect of changes in foreign exchange rates | (564,501)        | 6,107,140        |
| Interest expense                                | 13,843,976       | 801,133          |
| Interest paid                                   | (2,081,375)      | (813,225)        |
| Balance as at 31 December                       | 82,093,991       | 15,789,907       |

The debt securities relates to Providus Bank issuance of a N100,000,000,000 Commercial Paper, in two (2) series, through Greenwich Trust Limited (Arranger/Dealer).

| 31 Other liabilities                              |                  |                  |
|---------------------------------------------------|------------------|------------------|
|                                                   | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                   | ₦'000            | ₦'000            |
| Non-financial liabilities                         |                  |                  |
| Withholding tax                                   | 4,000,733        | 1,883,612        |
| ECL provision on off balance sheet items*         | 3,542,567        | 591,549          |
|                                                   | 7,543,300        | 2,475,161        |
| Financial liabilities                             |                  |                  |
| Account payable                                   | 27,505,856       | 1,257,686        |
| Settlement balance with payment switches          | 1,207,975        | 45,407,058       |
| LC settlement payable                             | 5,089            | -                |
| Accrued expenses                                  | 1,853,087        | 1,172,618        |
| Liability for defined contribution plan note 31.1 | 6,534            | 77,221           |
| Unclaimed fund                                    | 1,400,038        | 1,267,862        |



| 31 Other liabilities (cont'd)                      |                  |                  |
|----------------------------------------------------|------------------|------------------|
|                                                    | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                    | N'000            | N'000            |
| Deferred income from financial guarantee contracts | 530,252          | 325,404          |
| Other sundry liabilities**                         | 411,931,903      | 99,386,910       |
| Trade related obligations from foreign banks       | 30,826,049       | 1,223,671        |
| Customers' deposit for Retail FX bids              | -                | 50,641,456       |
| Manager's cheque                                   | 2,475,339        | 1,885,279        |
|                                                    | 477,742,122      | 202,645,165      |
| Total other liabilities                            | 485,285,422      | 205,120,326      |
| Current                                            | 454,877,757      | 176,133,349      |
| Non-current                                        | 30,407,665       | 28,986,977       |
|                                                    | 485,285,422      | 205,120,326      |

\*Movement in the ECL provision of ₦2.95 billion (2024:₦192.9m) on off balance sheet items has been recognised as an expense (note 7).

\*\*Included in other sundry liabilities are right issue proceeds for UBA ₦206.7 billion (2024: Nil), collateral for FGN bond of ₦26.4 billion (2024:₦26.4 billion) and Bank of Industry intervention fund of ₦3.5 billion (2024:₦3 billion) held for disbursement in line with the contract milestones.

31.1 Defined pension contribution plan

The Bank operates a defined contributory plan for all qualifying employees in its service. The assets of the plans are held by government regulated pension fund administrators (PFA). The Bank is required to contribute a specified percentage of payroll costs to the PFAs to fund the benefits. There are no further legal or constructive obligations with respect to the contributory plan. The payable outstanding as at year end represents contributions yet to be paid over to the PFAs which were paid subsequent to the end of the reporting year.

Movement in defined contribution liability recognised in the statement of financial position:

|                                        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|----------------------------------------|------------------|------------------|
|                                        | N'000            | N'000            |
| Opening balance                        | 77,221           | 53,329           |
| Charge to profit or loss               | 550,213          | 395,694          |
| Contributions remitted (PFAs/trustees) | (620,900)        | (371,802)        |
|                                        | 6,534            | 77,221           |
| Current                                | 6,534            | 77,221           |

| 32 Lease liability              |                  |                  |
|---------------------------------|------------------|------------------|
|                                 | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                 | N'000            | N'000            |
| At 1 January                    | 348,674          | 393,801          |
| Additions during the year       | 639,662          | 119,540          |
| Interest expense for the period | 211,902          | 81,623           |
| Payment during the year         | (503,500)        | (246,290)        |
|                                 | 696,738          | 348,674          |



| 32 Lease liability (cont'd)                                                                                                                                                    |             |              |             |                  |                                    |                  |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|-------------|------------------|------------------------------------|------------------|-----------|
|                                                                                                                                                                                |             |              |             | 31 DECEMBER 2025 |                                    | 31 DECEMBER 2024 |           |
|                                                                                                                                                                                |             |              |             | N'000            |                                    | N'000            |           |
| Current                                                                                                                                                                        |             |              |             | 572,707          |                                    | 124,031          |           |
| Non-current                                                                                                                                                                    |             |              |             | 124,031          |                                    | 224,643          |           |
|                                                                                                                                                                                |             |              |             | 696,738          |                                    | 348,674          |           |
| a. Amounts recognised in profit or loss                                                                                                                                        |             |              |             |                  |                                    |                  |           |
| Interest on lease liabilities                                                                                                                                                  |             |              |             | 211,902          |                                    | 81,623           |           |
| Expenses relating to short-term leases                                                                                                                                         |             |              |             | 103,287          |                                    | 78,402           |           |
| Depreciation on right of use assets                                                                                                                                            |             |              |             | 362,864          |                                    | 225,605          |           |
|                                                                                                                                                                                |             |              |             | 678,053          |                                    | 385,630          |           |
| b. Amounts recognised in statement of cash flows                                                                                                                               |             |              |             |                  |                                    |                  |           |
| Total cash outflow for leases                                                                                                                                                  |             |              |             | 503,500          |                                    | 246,290          |           |
| c. The future minimum lease payments on the lease liabilities extend over a number of years. The undiscounted value of lease liabilities is as follows at the end of the year: |             |              |             |                  |                                    |                  |           |
| 31 December 2025                                                                                                                                                               |             |              |             |                  |                                    |                  |           |
|                                                                                                                                                                                | 0 - 30 days | 31 - 90 days | 91-180 days | 181 - 365 days   | Over 1 year, but less than 5 years | Over 5 years     | Total     |
| Figures in thousands of naira                                                                                                                                                  |             |              |             |                  |                                    |                  |           |
| Lease liability                                                                                                                                                                | -           | -            | 162,063     | 216,000          | 590,350                            | 165,000          | 1,133,413 |
| 31 December 2024                                                                                                                                                               |             |              |             |                  |                                    |                  |           |
|                                                                                                                                                                                | 0 - 30 days | 31 - 90 days | 91-180 days | 181 - 365 days   | Over 1 year, but less than 5 years | Over 5 years     | Total     |
| Figures in thousands of naira                                                                                                                                                  |             |              |             |                  |                                    |                  |           |
| Lease liability                                                                                                                                                                | -           | -            | -           | 220,000          | 168,663                            | 195,250          | 583,913   |

There are no further potential cashflows to which the Bank is exposed from the exercise of termination and extension options as these have been considered in the measurement of the lease.

| 33 Deferred tax assets and liabilities                              |                  |                  |
|---------------------------------------------------------------------|------------------|------------------|
|                                                                     | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                                     | N'000            | N'000            |
| Deferred income tax assets are attributable to the following items: |                  |                  |
| Allowance for loan losses                                           | 11,127,705       | 2,290,074        |
| Unused tax credit                                                   | -                | 3,993,366        |
| Unrealised exchange loss                                            | 3,243,261        | -                |
|                                                                     | 14,370,966       | 6,283,440        |
| Deferred tax assets:                                                |                  |                  |
| Deferred tax assets to be recovered after more than 12 months       | 14,370,966       | 6,283,440        |
| Deferred tax assets to be recovered within 12 months                | -                | -                |
|                                                                     | 14,370,966       | 6,283,440        |



| 33 Deferred tax assets and liabilities (cont'd)                          |                  |                  |
|--------------------------------------------------------------------------|------------------|------------------|
|                                                                          | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                                          | N'000            | N'000            |
| Deferred income tax liabilities are attributable to the following items: |                  |                  |
| Property and equipment                                                   | 12,864,073       | 1,313,995        |
| Right of use/Lease Liability                                             | 419,973          | -                |
| Fair value gain on treasury bills                                        | -                | 331,225          |
| Fair value gains on investment property                                  | -                | 2,079,085        |
|                                                                          | 13,284,046       | 3,724,305        |
| Deferred tax liabilities:                                                |                  |                  |
| Deferred tax liabilities to be settled after more than 12 months         | -                | -                |
| Deferred tax liabilities to be settled within 12 months                  | 13,284,046       | 3,724,305        |
|                                                                          | 13,284,046       | 3,724,305        |
| Net Deferred tax impact                                                  | 1,086,920        | 2,559,135        |

The Bank's deferred tax asset which typically arise from un-utilized capital allowance and ECL allowance on not credit impaired financial instruments is ₦1.08b as at 31 December 2025 (2024: ₦2.55b). The bank has assessed based on its profit forecast, the extent to which there will be future taxable profits against which the deferred tax assets recognised can be utilised, and has chosen to not recognise additional deferred tax assets as at 31 December 2025.

The Bank will continue to assess the recoverability of its deferred tax assets, and to ensure that only amount considered recoverable are recognised in the books and presented in the statement of financial position.

| 34 Share capital and other reserves              |                  |                  |
|--------------------------------------------------|------------------|------------------|
|                                                  | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                  | N'000            | N'000            |
| Minimum issued shares                            |                  |                  |
| Ordinary shares of 50 kobo each.                 | 20,902,917       | 20,000,000       |
| Issued and fully paid                            |                  |                  |
| At 1 January (39,120,120 shares of 50 kobo each) | 19,560,060       | 19,560,060       |
| Addition from Deposit for shares                 | 1,342,857        | -                |
| At 31 December                                   | 20,902,917       | 19,560,060       |

| 34.1 Deposit for shares                                       |                  |                  |
|---------------------------------------------------------------|------------------|------------------|
|                                                               | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                               | N'000            | N'000            |
| At 1 January                                                  | 9,400,000        | -                |
| Addition during the year                                      | -                | 9,400,000        |
| Transfer to                                                   |                  |                  |
| Share capital (2,685,714 shares of 50 kobo each) (note 35)    | (1,342,857)      | -                |
| Share premium (16,114,286 shares of 1 naira each) (note 35.2) | (8,057,143)      | -                |
| At 31 December                                                | -                | 9,400,000        |



34.1 Deposit for shares (cont'd)

Balance represents amount allotted and paid by directors to increase operating capital of the Bank. This has been verified by the regulatory authority and the process of registering the increase with the Corporate Affairs Commission is on-going.

34.2 Share premium

Share premium is the excess paid by shareholders over the nominal value of their shares.

|                                  | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|----------------------------------|------------------|------------------|
|                                  | N'000            | N'000            |
| At 1 January                     | 21,562,674       | 21,562,674       |
| Addition from Deposit for shares | 8,057,143        | -                |
|                                  | 29,619,817       | 21,562,674       |

34.3 Retained Earnings

|                           | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|---------------------------|------------------|------------------|
|                           | N'000            | N'000            |
| At 1 January              | 39,441,010       | 17,388,742       |
| Profit for the year       | 19,211,405       | 33,037,146       |
| Transfer between reserves | (14,939,580)     | (8,484,878)      |
| Dividend paid             | (2,000,000)      | (2,500,000)      |
|                           | 41,712,835       | 39,441,010       |

34.4 Dividends

|                                                                                | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|--------------------------------------------------------------------------------|------------------|------------------|
|                                                                                | N'000            | N'000            |
| i) Ordinary shares                                                             |                  |                  |
| Final dividend for the year ended 31 December 2024 of 50k per fully paid share | 2,000,000        | 2,500,000        |
|                                                                                | 2,000,000        | 2,500,000        |

ii) Dividends not recognised at the end of the reporting period

The aggregate amount of proposed dividend expected to be paid by the Bank, but not recognised as a liability at year end, is nil (2024: nil).



| 34.5 Other reserves     |                 |            |                 |                 |             |                 |
|-------------------------|-----------------|------------|-----------------|-----------------|-------------|-----------------|
|                         | 2025            |            |                 | 2024            |             |                 |
|                         | Opening balance | Movement   | Closing balance | Opening balance | Movement    | Closing balance |
|                         | N'000           | N'000      | N'000           | N'000           | N'000       | N'000           |
| Statutory reserve       | 29,710,622      | 5,763,422  | 35,474,044      | 19,799,478      | 9,911,144   | 29,710,622      |
| Regulatory risk reserve | 6,619,506       | 7,255,018  | 13,874,524      | 11,349,487      | (4,729,981) | 6,619,506       |
| Fair value reserves     | 2,366,289       | 6,919,935  | 9,286,224       | -               | 2,366,289   | 2,366,289       |
| SMEEIS reserve          | 4,965,666       | 960,570    | 5,926,236       | 3,313,809       | 1,651,857   | 4,965,666       |
| AGSMEIS reserve         | 4,936,922       | 960,570    | 5,897,492       | 3,285,065       | 1,651,857   | 4,936,922       |
|                         | 48,599,004      | 21,859,515 | 70,458,519      | 37,747,838      | 10,851,166  | 48,599,004      |

i Statutory reserve

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S15(1) of the Bank and Other Financial Institutions Act, 2020, an appropriation of 30% of profit after taxation is made if the statutory reserve is less than the paid-up share capital and 15% of profit after taxation if the statutory reserve is greater than the paid up share capital.

ii Regulatory reserve

The regulatory risk reserves records the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines compared with the impairment losses under IFRS 9 expected credit loss model. The key component of CBN Prudential Guidelines (PG) is the setting aside of additional 2% provision on all performing loans assessed under the Prudential Guidelines. This 2% provision is not required under IFRS 9.

Statement of prudential adjustment

The reconciliation between December 2024 CBN recommended provisions and that under IFRS as at December 2024 is as shown in the table below:

|                                                  | Reference | Individual/Specific | Collective/General | Total        |
|--------------------------------------------------|-----------|---------------------|--------------------|--------------|
| Figures in thousands of Naira                    |           |                     |                    |              |
| a. Loans and advances                            |           |                     |                    |              |
| Provision per CBN Guidelines                     |           | 42,141,226          | 18,912,555         | 61,053,781   |
| Impairment allowance on loan per IFRS 9          | Note 19.1 | (8,600,752)         | (11,087,948)       | (19,688,700) |
| Impairment on off balance sheet items            | Note 31   | -                   | (3,542,567)        | (3,542,567)  |
| Impairment allowance on other assets             | Note 22.1 | -                   | (18,211,192)       | (18,211,192) |
| Impairment on financial assets at amortised cost | Note 20.1 | -                   | (2,303,330)        | (2,303,330)  |
| Impairment on financial assets at FVOCI          | Note 7    | -                   | (3,433,468)        | (3,433,468)  |
| Amount required in regulatory risk reserve       |           | 33,540,474          | (19,665,950)       | 13,874,524   |
| 2024                                             |           |                     |                    |              |
| Provision per CBN Guidelines                     |           | 28,617,965          | 13,326,444         | 41,944,409   |
| Impairment allowance on loan per IFRS 9          | Note 19.1 | (10,560,793)        | (15,632,170)       | (26,192,963) |
| Impairment on off balance sheet items            | Note 31   | -                   | (591,549)          | (591,549)    |
| Impairment allowance on other assets             | Note 22.1 | -                   | (3,801,586)        | (3,801,586)  |
| Impairment on financial assets at amortised cost | Note 20.1 | -                   | (459,706)          | (459,706)    |
| Impairment on financial assets at FVOCI          | Note 7    | -                   | (4,279,099)        | (4,279,099)  |
| Amount required in regulatory risk reserve       |           | 18,057,172          | (11,437,666)       | 6,619,506    |



iii SMEIS AND AGSMEIS

This reserve represents the aggregate amount of appropriations from profit after tax to finance equity investments in compliance with the directives issued by the Central Bank of Nigeria (CBN). The SMIEIS reserve was maintained in compliance with the Central Bank of Nigeria's requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline issued in July 2006, the contributions were 10% of profit after tax and were expected to continue after the first 5 years after which banks' contributions were to reduce to 5% of profit after tax. Although this reserve is now non-mandatory, the bank has opted to continue to maintain it.

In April 2017, the Central Bank of Nigeria issued guidelines to govern the operations of the Agriculture/Small and Medium Enterprises Scheme (AGSMIES), which was established to support the Federal Government's efforts at promoting agricultural businesses and Small and Medium Enterprises (SMEs) as vehicles for achieving sustainable economic development and employment generation.

The small and medium scale industries equity investment scheme reserves are non-distributable

| 35 Cash generated from operations                                      |           |                  |                  |
|------------------------------------------------------------------------|-----------|------------------|------------------|
|                                                                        | Note      | 31 December 2025 | 31 December 2024 |
|                                                                        |           | N'000            | N'000            |
| Reconciliation of profit before tax to cash generated from operations: |           |                  |                  |
| Profit before tax                                                      |           | 26,009,807       | 40,618,943       |
| Adjustments for:                                                       |           |                  |                  |
| Interest income                                                        | Note 5    | (336,883,364)    | (188,025,058)    |
| Interest expense                                                       | Note 6    | 266,911,722      | 137,199,970      |
| Depreciation of property and equipment                                 | Note 14   | 9,916,500        | 6,472,315        |
| Depreciation on right of use asset                                     | Note 14   | 362,864          | 225,605          |
| Amortisation of intangible assets                                      | Note 14   | 1,342,032        | 982,359          |
| Write off /Disposal of property and equipment                          | Note 24   | 2,223,915        | 27,436           |
| Write off of intangible assets                                         | Note 26   | -                | -                |
| Gain on disposal of property and equipment                             | Note 11   | (78,442)         | (16,069)         |
| Impairment movement in fair value reserves                             | Note 11   | 1,771,240        | (4,279,099)      |
| Unrealised gain/(loss) on financial asset at FVOCI                     | Note 34.5 | 6,919,935        | 2,366,289        |
| Foreign exchange revaluation gain                                      | Note 11   | 9,539,001        | (30,131,785)     |
| Net fair value gain on financial assets at fair value                  | Note 10   | (40,304,666)     | 5,225,101        |
| Impairment on loans and advances                                       | Note 7    | (6,504,263)      | 13,728,202       |
| Impairment charge on other financial assets                            |           | 18,358,616       | 5,132,741        |
| Amount required in regulatory risk reserve                             |           | (40,415,102)     | (10,473,049)     |
| Changes in operating assets                                            |           |                  |                  |
| Financial assets at FVTPL                                              |           | -                | -                |
| Loans and advances to customers                                        |           | (153,510,479)    | (309,749,660)    |
| Prepayments and other assets                                           |           | (90,923,033)     | (11,575,563)     |
| Change in restricted balance with CBN                                  |           | (89,674,636)     | (82,712,532)     |
| Change in other deposits with central bank                             |           | -                | -                |
| Changes in operating liabilities                                       |           |                  |                  |
| Deposits from customers                                                |           | 512,105,735      | 221,256,325      |
| Accruals and other liabilities                                         |           | 276,951,911      | 40,360,425       |
| Net cash flow generated from/(used in) operating activities            |           | 414,534,396      | (152,894,053)    |



36 Related parties

a) Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes key management personnel and associates.

b) Transactions with key management personnel

The Bank’s key management personnel, and persons connected with them to such an extent that they hold a degree of influence, are also considered to be related parties. The key management personnel have been identified as directors of the Bank as well as their close family members. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Providus Bank Limited.

| 36.1 Key management compensation |                  |                  |
|----------------------------------|------------------|------------------|
|                                  | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                  | ₦'000            | ₦'000            |
| Directors' remuneration          |                  |                  |
| Non-executive directors          |                  |                  |
| Allowances                       | 483,500          | 382,000          |
| Executive directors              |                  |                  |
| Short-term employee benefits     | 835,977          | 535,392          |
| Pension contributions            | 59,730           | 47,238           |
|                                  | 1,379,207        | 964,630          |

| 36.2 Companies'/directors' related deposit liabilities |                  |                  |
|--------------------------------------------------------|------------------|------------------|
|                                                        | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                                        | ₦'000            | ₦'000            |
| Balance, at 1 January                                  | 2,163,198        | 597,550          |
| Net movement during the year                           | 1,980,789        | 1,565,648        |
|                                                        | 4,143,987        | 2,163,198        |

There are no special considerations for the related party deposits. Deposits from related parties are taken at arms length.

37 Insider related transactions

The Bank’s principal exposure to all of its directors as at 31st December 2025 is ₦11.4b. Below is the schedule showing the Bank’s director-related lending for the year ended 31st December 2025:

| S/N | Name of borrower              | Relationship to reporting institution | Name of related directors | Facility type                    | Outstanding principal ₦'000 | Status     |
|-----|-------------------------------|---------------------------------------|---------------------------|----------------------------------|-----------------------------|------------|
| 1   | WALTER AKPANI                 | MANAGING DIRECTOR                     | WALTER AKPANI             | TERM LOAN / STAFF MORTGAGE LOAN* | 4,087,972                   | Performing |
| 2   | KINGSLEY AIGBOKHAEVBO         | DEPUTY MANAGING DIRECTOR              | KINGSLEY AIGBOKHAEVB      | STAFF MORTGAGE LOAN*             | 2,000,000                   | Performing |
| 3   | OBAFUNMILAYO & FUNMITO AGUSTO | NON EXECUTIVE DIRECTOR                | FUNMI AGUSTO              | TERM LOAN / WORKING CAPITAL      | 214,091                     | Performing |
| 4   | ADEOYE OJUROYE                | EXECUTIVE DIRECTOR                    | ADEOYE OJUROYE            | STAFF MORTGAGE LOAN*             | 3,976,286                   | Performing |



| S/N | Name of borrower                          | Relationship to reporting institution | Name of related directors | Facility type                | Outstanding principal ₦'000 | Status     |
|-----|-------------------------------------------|---------------------------------------|---------------------------|------------------------------|-----------------------------|------------|
| 5   | NWACHUKWU CHUKWUMA                        | EXECUTIVE DIRECTOR                    | NWACHUKWU CHUKWUMA        | STAFF MORTGAGE LOAN*         | 177,573                     | Performing |
| 6   | DOCKLANDS ENTERPRISES                     | EXECUTIVE DIRECTOR                    | ADEOYE OJUROYE            | WORKING CAPITAL              | 477,886                     | Performing |
| 7   | ASHGROVE EXPLORATION & PRODUCTION LIMITED | NON EXECUTIVE DIRECTOR                | MAHMUD TUKUR              | TERM LOAN                    | 500,000                     | Performing |
| 8   | OPI, OPIA AND ASSOCIATES                  | COMPANY SECRETARY                     | COMPANY SECRETARY         | LONG TERM LOAN - SPECIALISED | 16,000                      | Performing |
|     |                                           |                                       |                           |                              | 11,449,808                  |            |

\*Staff mortgage loan refers to mortgage facilities given in line with human resource unit policy per grade

38 Compliance with banking regulations

The Bank contravened some banking regulations in the course of the year, this contravention attracted a penalty of ₦2.57 billion for the year 2025 (2024: ₦474.7 million). Details of the banking regulation which the Bank contravened during the year are as follows:

| Regulatory body         | Nature of contravention                                                                     | ₦'000     |
|-------------------------|---------------------------------------------------------------------------------------------|-----------|
| Central Bank of Nigeria | Penalty in respect of mystery shopping and spot checks on cash disbursement                 | 150,000   |
| Central Bank of Nigeria | Penalty for infractions iro risk asset examination for Jan - Dec 2023                       | 24,000    |
| Central Bank of Nigeria | Penalty for infractions iro aml/cft/cpf risk asset examination for May 2023 - Apr 2024      | 393,000   |
| Central Bank of Nigeria | Penalty for infractions in foreign exchange examination (1st april 2023 to march 31st 2024) | 74,000    |
| Central Bank of Nigeria | Penalty in respect of cbn ratification of employment status of staff                        | 10,000    |
| Central Bank of Nigeria | Penalty charge in respect of shortage noted during processing in akure                      | 196       |
| Central Bank of Nigeria | Penalty charge in respect of non-compliance with DCRR fund disbursement                     | 1,230,000 |
| Central Bank of Nigeria | Penalty for infractions in foreign exchange examination (1st april 2024 to march 31st 2025) | 691,570   |
|                         |                                                                                             | 2,572,766 |

39 Contingent liabilities

39.1 Claims and litigations

The Bank in the ordinary course of business is presently involved in 100 litigations (2024: 69 litigations). In 10 of the 100 litigations, the bank is the plaintiff (2024: 12 litigations) while the bank is the defendant in 80 litigations (2024: 38). Other cases were third party cases for the bank. The total amount of cases claimed against the bank is 80 litigations with an estimated amount of approximately ₦9.57b. (31 December 2024: ₦2b) while the total amount claimed in the 10 cases instituted by the Bank is ₦14.6b (31 December 2024: ₦12b). As the probability that the bank will incur any loss regarding the litigations against it is remote as confirmed by solicitors, no provisions for litigations is required to be recorded in the current year.

39.2 Capital commitments

The Bank had capital commitments of ₦31.3 billion as at 31 December 2025 (2024: ₦28.6 billion)



| 39.3 Acceptance, Bonds and Guarantees |                  |                  |
|---------------------------------------|------------------|------------------|
|                                       | 31 DECEMBER 2025 | 31 DECEMBER 2024 |
|                                       | ₦'000            | ₦'000            |
| Bonds & guarantees                    | 409,642,183      | 215,453,301      |
| Letters of Credit                     | 342,175,028      | 128,417,126      |

40 Dividends

The Bank has proposed to pay dividend for the reporting period ₦4.5 billion (2024: ₦2 billion).

41 Non-audit services

During the year, the Bank’s auditor, PricewaterHouseCoopers, was awarded the contract below;

| Service                                     | Description                                                                                                                                                                                                                                   | Amount (₦'000) |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| NDIC Agreed Upon procedures                 | PwC was requested to certify the total deposit liabilities standing in the books of the Bank as at 31 December 2025 in line with the provision of Nigeria Deposit Insurance Corporation (NDIC) Act.                                           | 3,000          |
| Scrutineer Engagement                       | PwC was requested to assist the Board of Directors determine whether its procedures for verifying the voting process at the Court-Ordered Meeting relating to the proposed Scheme of merger with Unity Bank Plc were conducted appropriately. | 2,000          |
| Providus Bank Board Training on Tax Reforms | PwC was requested to train the Board of Directors on the key changes introduced by the Nigeria Tax Reform Act.                                                                                                                                | 2,000          |

In the Bank’s opinion, the provision of these services to the Bank did not impair the independence and objectivity of the external auditor.



# Other National Disclosures





| Value added statement                 |                  |     |                  |     |
|---------------------------------------|------------------|-----|------------------|-----|
|                                       | 31 December 2025 |     | 31 December 2024 |     |
|                                       | N'000            | %   | N'000            | %   |
| Gross income                          | 401,575,980      |     | 269,154,545      |     |
| Interest expense                      | (266,911,722)    |     | (137,199,970)    |     |
| Value added                           | 134,664,258      |     | 131,954,575      |     |
| Administrative overheads:             |                  |     |                  |     |
| - Local                               | (62,014,036)     |     | (51,212,179)     |     |
| Value added                           | 72,650,222       | 100 | 80,742,396       | 100 |
| Distribution:                         |                  |     |                  |     |
| Employees                             |                  |     |                  |     |
| Wages & salaries and other staff cost | 23,527,530       | 32  | 17,193,170       | 21  |
| Government                            |                  |     |                  |     |
| Taxation                              | 6,798,402        | 9   | 7,581,797        | 9   |
| Government                            |                  |     |                  |     |
| Asset replacement (depreciation)      |                  |     |                  |     |
| Local                                 | 9,916,500        | 14  | 3,302,422        | 4   |
| Asset replacement (amortisation)      |                  |     |                  |     |
| Local                                 | 1,342,032        | 2   | 766,918          | 1   |
| Impairment loss                       | 11,854,353       | 16  | 18,860,943       | 23  |
| Profit for the year                   | 19,211,405       | 26  | 33,037,146       | 41  |
|                                       | 72,650,222       | 100 | 80,742,396       | 100 |

| Five-year financial summary                       |                  |                  |                  |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                   | 31 December 2025 | 31 December 2024 | 31 December 2023 | 31 December 2022 | 31 December 2021 |
|                                                   | N'000            | N'000            | N'000            | N'000            | N'000            |
| Assets:                                           |                  |                  |                  |                  |                  |
| Cash and bank balances                            | 49,961,790       | 19,427,908       | 7,417,497        | 76,645,764       | 24,660,678       |
| Due from other financial institutions             | 1,070,655,008    | 530,219,196      | 134,383,472      | 32,930,070       | 26,642,717       |
| Financial assets at fair value                    | 477,175,026      | 117,627,271      | 75,893,164       | -                | 507,790          |
| Loans and advances at amortised cost              | 960,841,970      | 800,827,227      | 494,188,762      | 282,647,938      | 165,946,359      |
| Financial assets at amortised cost                | 486,036,963      | 289,695,271      | 192,532,300      | 141,601,993      | 138,719,320      |
| Cash reserve balance with Central Bank of Nigeria | 669,289,252      | 579,614,616      | 496,902,084      | 146,458,944      | 148,095,780      |
| Other Assets                                      | 220,465,487      | 140,687,533      | 130,939,572      | 27,163,795       | 13,183,141       |
| Investment Properties                             | -                | -                | 3,264,527        | 3,264,527        | 5,425,737        |
| Property and equipment                            | 90,599,300       | 74,884,985       | 31,362,195       | 22,132,982       | 16,646,156       |
| Right of use assets                               | 889,535          | 612,737          | 560,616          | 519,811          | 668,626          |



| Five-year financial summary (cont'd)         |                  |                  |                  |                  |                  |
|----------------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                              | 31 December 2025 | 31 December 2024 | 31 December 2023 | 31 December 2022 | 31 December 2021 |
|                                              | ₦'000            | ₦'000            | ₦'000            | ₦'000            | ₦'000            |
| Intangible assets                            | 3,483,603        | 2,359,554        | 2,118,912        | 2,427,097        | 2,493,680        |
| Deferred tax assets                          | 1,086,920        | 2,559,135        | 2,559,135        | 15,200           | 76,508           |
| Assets classified as held for sale           | -                | 3,264,527        | -                | -                | -                |
| Total assets                                 | 4,030,484,854    | 2,561,779,960    | 1,572,122,236    | 735,808,121      | 543,066,492      |
| Liabilities:                                 |                  |                  |                  |                  |                  |
| Deposits from customers                      | 2,109,514,864    | 1,574,471,477    | 1,119,141,707    | 504,462,667      | 340,299,967      |
| Borrowed funds                               | 1,184,642,949    | 619,511,605      | 181,976,497      | 46,371,208       | 67,326,091       |
| Current tax liability                        | 5,556,803        | 7,975,223        | 1,340,234        | 726,489          | 418,870          |
| Debt Securities Issued                       | 82,093,991       | 15,789,907       | 9,694,859        | 4,609,162        | -                |
| Other liabilities                            | 485,285,422      | 205,120,326      | 163,315,824      | 133,988,560      | 97,320,447       |
| Lease liabilities                            | 696,738          | 348,674          | 393,801          | 385,298          | 380,468          |
| Deferred tax liabilities                     | -                | -                | -                | -                | 81,797           |
| Total liabilities                            | 3,867,790,766    | 2,423,217,211    | 1,475,862,922    | 690,543,384      | 505,827,640      |
| Equity:                                      |                  |                  |                  |                  |                  |
| Share capital                                | 20,902,917       | 19,560,060       | 19,560,060       | 18,018,393       | 18,018,393       |
| Deposit for shares                           | -                | 9,400,000        | -                | -                | -                |
| Share premium                                | 29,619,817       | 21,562,674       | 21,562,674       | 13,854,341       | 13,854,341       |
| Retained earnings and other reserves         | 112,171,354      | 88,040,015       | 55,136,580       | 13,392,003       | 5,366,118        |
| Total equity                                 | 162,694,088      | 138,562,749      | 96,259,314       | 45,264,737       | 37,238,852       |
| Total liabilities and equity                 | 4,030,484,854    | 2,561,779,960    | 1,572,122,236    | 735,808,121      | 543,066,492      |
| Statement of total comprehensive income      |                  |                  |                  |                  |                  |
| Interest income                              | 336,883,364      | 188,025,058      | 93,401,561       | 50,190,640       | 29,394,929       |
| Interest expense                             | 266,911,722)     | (137,199,970)    | 38,313,798       | (28,811,845)     | (17,180,574)     |
| Net interest income                          | 69,971,642       | 50,825,088       | 38,313,798       | 21,378,795       | 12,214,355       |
| Impairment on financial assets               | (11,854,353)     | (18,860,943)     | (1,620,897)      | (3,243,793)      | (1,018,297)      |
| Net interest income after impairment charges | 58,117,289       | 31,964,145       | 36,692,901       | 18,135,002       | 11,196,058       |
| Fee and commission income                    | 35,424,961       | 29,491,238       | 14,796,182       | 8,526,866        | 7,011,919        |
| Fee and commission expense                   | (4,608,323)      | (1,987,791)      | (1,255,270)      | (449,960)        | (461,703)        |
| Net fee and commission income                | 30,816,638       | 27,503,447       | 13,540,912       | 8,076,906        | 6,550,216        |
| Net trading gains                            | 36,628,320       | 21,308,186       | 6,724,294        | 1,645,294        | 1,031,456        |
| Other operating income                       | (7,360,665)      | 30,330,063       | 235,904          | 2,498,908        | 2,268,211        |
| Impairment charge on financial assets        | -                | -                | -                | -                | (383,609)        |
|                                              | 29,267,655       | 51,638,249       | 6,960,198        | 4,144,202        | 2,916,058        |
| Net operating income                         | 118,201,582      | 111,105,841      | 57,194,011       | 30,356,110       | 20,662,332       |

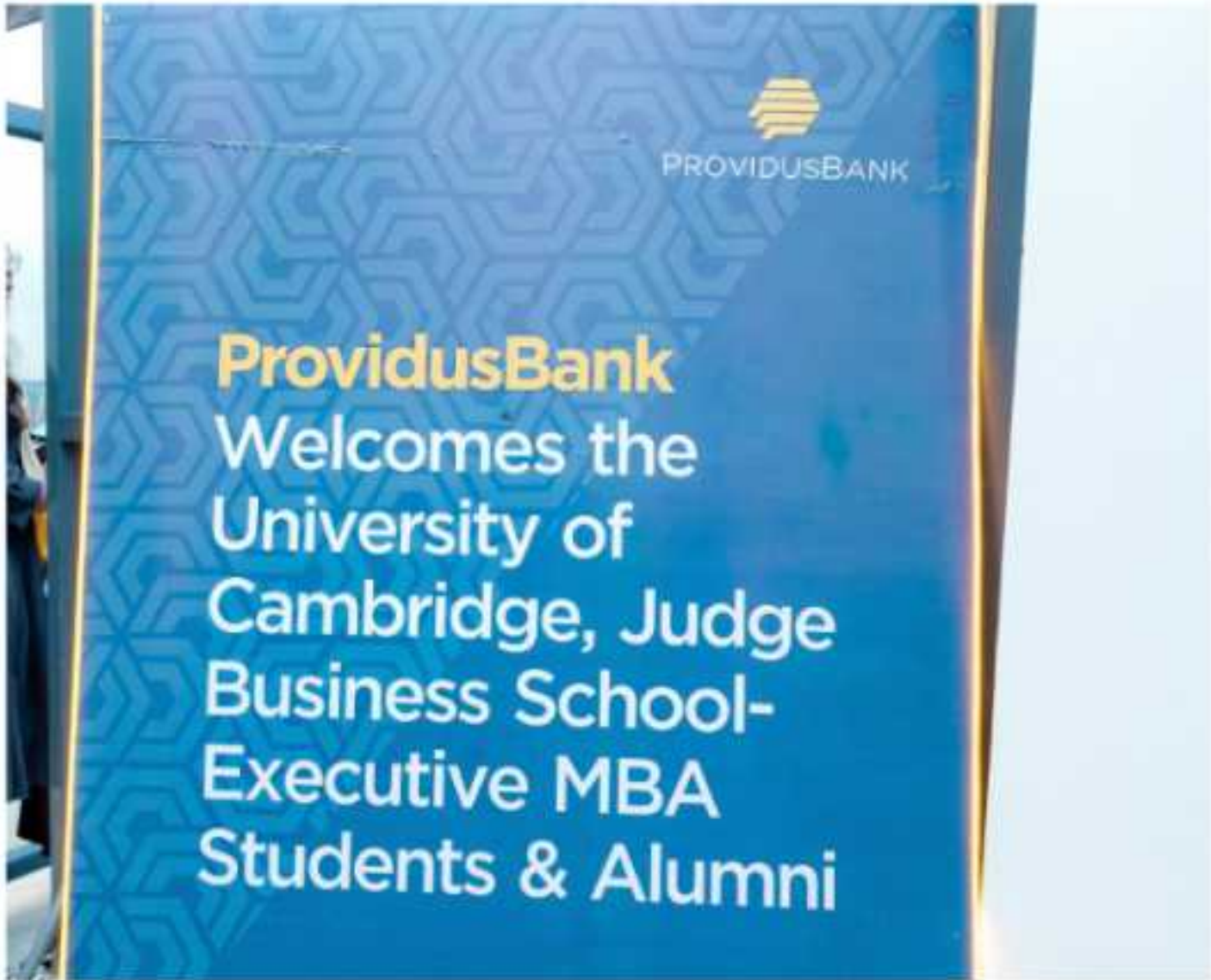


| Five-year financial summary (cont'd)                   |                  |                  |                  |                  |                  |
|--------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                        | 31 December 2025 | 31 December 2024 | 31 December 2023 | 31 December 2022 | 31 December 2021 |
|                                                        | ₦'000            | ₦'000            | ₦'000            | ₦'000            | ₦'000            |
| Personnel expenses                                     | (23,527,530)     | (17,193,170)     | (10,553,319)     | (6,593,225)      | (4,810,872)      |
| Other operating expenses                               | (57,042,849)     | (45,613,450)     | (25,760,378)     | (12,055,761)     | (6,194,105)      |
| Depreciation and amortisation                          | (11,621,396)     | (7,680,278)      | (4,225,661)      | (3,071,781)      | (2,204,647)      |
| Total operating expenses                               | (92,191,775)     | (70,486,898)     | (40,539,358)     | (21,720,767)     | (13,209,624)     |
| Profit before tax                                      | 26,009,807       | 40,618,943       | 16,654,652       | 8,635,343        | 7,452,708        |
| income tax expense/(credit)                            | (6,798,402)      | (7,581,797)      | 1,476,129        | (609,458)        | (340,150)        |
| Profit for the year                                    | 19,211,405       | 33,037,146       | 18,130,781       | 8,025,885        | 7,112,558        |
| Other comprehensive income, net of related tax effects | 6,919,935        | 2,366,289        | -                | -                | -                |
| Total comprehensive income for the year                | 26,131,340       | 35,403,435       | 18,130,781       | 8,025,885        | 7,112,558        |
| Earnings per share from continuing operations          |                  |                  |                  |                  |                  |
| Basic (kobo per share)                                 | 47               | 82               | 47               | 18               | 23               |
| Diluted (kobo per share)                               | 47               | 82               | 47               | 18               | 23               |

























NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of PROVIDUS BANK LIMITED (“the Bank”) will be held at the **Three Continents Hall (Africa, Asia & America), Eko Hotel & Suites, Victoria Island, Lagos**, on Thursday, the 11th day of June 2026 at 11.00 am to transact the following business:

I / We

Account No. ....

Shareholder's Name.....

No of Shares.....

Being member/members of the above-named company hereby appoint

Or failing him, the Chairman of the meeting as my/our proxy to attend and vote for me / us and on my/our behalf at the Annual General Meeting of the company to be held on Thursday, 11th, June, 2026 and at any adjournment thereof.

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

Signature(s) of Shareholder(s) .....

Please mark the appropriate box with an "X" to indicate how you wish your votes to be cast on the resolutions set above.

| ORDINARY RESOLUTIONS                                                                                                                                      | For | Against |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1. Presentation of the Audited Financial Statements for the year ended 31st December 2025 and the Reports of the Directors and External Auditors thereon. |     |         |
| 2. Declaration of Dividend.                                                                                                                               |     |         |
| 3. Election of directors retiring by rotation.                                                                                                            |     |         |
| 4. Appoint/re-appoint external auditors and authorise the Directors to fix the remuneration of the external auditors for the ensuing year.                |     |         |
| 5. Any other business.                                                                                                                                    |     |         |

SPECIAL BUSINESS:

1. To consider and, if thought fit, pass the following sub-joined resolutions as an ordinary resolution:
- a. "That the Board of Directors be and are hereby authorised to raise additional capital of up to ₦150,000,000,000.00 (One Hundred and Fifty Billion Naira) whether by way of private or special placement, rights issue, tier 2 capital, debt conversion or other methods through the issuance of shares, global depository receipts, convertibles or non-convertibles medium-term notes, bonds, and/or any other instrument either as a standalone or by way of a program in such tranches, series or proportions at such coupon or interest rate within such maturity periods and on such terms and conditions all as to be determined by the Board subject to obtaining the approval of relevant regulatory authorities"

b. "That the Directors be and are hereby authorised to issue such new Ordinary shares and/or make such allotments of shares or approve any allotment proposals as may be deemed necessary and expedient to give effect to the above resolution, subject to obtaining the approvals of the relevant regulatory authorities."

c. "That Directors be and are hereby authorised to appoint such professional parties and advisers and to perform all such others act and do all such other things as may be necessary to give effect to the above resolution, including without limitation complying with the directives of any regulatory authority."
2. To consider and, if thought fit, pass the following sub-joined resolutions as an ordinary resolution:
- a. "That following the completion of the additional capital raise as contemplated in 1 (a) above, the issued share capital of the Company be and is hereby increased from ₦20,902,916,875 (Twenty Billion Nine Hundred and Two Million Nine Hundred and Sixteen Thousand Eight Hundred and Seventy Five Naira) of 50kobo each to ₦29,902,916,875 (Twenty Nine Billion Nine Hundred and Two Million Nine Hundred and Sixteen Thousand Eight Hundred and Seventy Five Naira) by the creation/issuance of additional shares up to a maximum of 18,000,000,000 (Eighteen Billion) ordinary shares of 50kobo each' and such new shares to rank *pari passu* in all respect with the existing ordinary shares in the capital of the Company"

b. "That any increases in share capital pursuant to such equity capital raises contemplated in 1(a) above shall be registered with the Corporate Affairs Commission, in such incremental proportions or tranches as may be undertaken by the company as the Boards in its absolute discretion may deem necessary or desirable; and the Board is hereby authorised to issue on behalf of shareholders, such resolutions as may be required by the Corporate Affairs Commission to effect the registration of any tranche(s) or proportion of the proposed increase in share capital"

c. "That consequent to 2(a) above, Clause 6 of the Memorandum of Association and Article 10 of Articles of Association of the Company be amended upon completion of each equity capital raise to reflect any newly issued and paid-up share capital as may be determined by Directors in their absolute discretion."

Shareholders' Admission Form

Annual General Meeting to be held at the Three Continents Hall (Africa, Asia & America), Eko Hotel & Suites, Victoria Island, Lagos on the **Thursday, 11th day of June 2026 at 11.00am**

Please Admit the Shareholder or his/her/its duly appointed proxy to the Annual General Meeting of Providus Bank Limited, to be held on **Thursday, 11th day of June 2026 at 11.00am.**



Account No. ....

Shareholder's Name.....

No of Shares .....

Shareholder's Signature.....

Proxy ☐ Shareholder ☐

Please tick 'x' in the appropriate box above before presenting this card for admission to the meeting.

Name of person attending:..... Signature of person attending:.....

IMPORTANT:

1. This admission form must be produced by the shareholder or his proxy in order to obtain entrance to the meeting.
2. Shareholders or their proxies are requested to sign the admission form in the appropriate place before attending the meeting.







## **NOTES:**

### **I. PROXIES**

A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in their stead. A proxy need not be a member of the Company. For an appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrars, PAC Registrars & Investor Services Limited, No. 122 Bode Thomas Street, Surulere, Lagos, not less than 48 hours before the time fixed for the meeting. A blank form of proxy is attached to the Annual Report.

### **II. CLOSURE OF REGISTER**

The Register of Members of the Company will be closed from Monday, June 1, 2026, to Friday, June 5, 2026.

### **III. DIVIDENDS**

If the proposed dividend of N0.10764 only per Ordinary Share of 50 Kobo each, totalling N4,500,000,000.00 (Four Billion Five Hundred Million Naira) is approved, the dividend will be paid on Monday, 15th June 2026 to shareholders whose names appear in the Register of Members at the close of business on June 5, 2025. The proposed dividend is subject to withholding tax at the applicable tax rate.

### **IV. E-DIVIDEND**

Notice is hereby given to all Shareholders who have yet to mandate their dividends to their bank accounts to kindly update their records by completing the e-dividend mandate form and submitting the same to the Registrars, as dividends will be credited electronically to Shareholders' accounts.

Detachable application forms for the e-dividend mandate and Shareholders' Update form are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from ss: cofa4christ@gmail.com, the Company's website, or obtained from the Registrars. The completed forms should be returned to PAC Registrars & Investor Services Limited, 122 Bode Thomas Street, Surulere, Lagos.

### **V. VOTING**

Voting at the meeting shall be by a show of hands.

### **VI. RE-ELECTION OF DIRECTORS**

#### **a) Re-election of Directors**

In accordance with the provisions of Article 98 of the Company's Articles of Association, Mallam Hussaini Dikko (Board Chairman) and Mr. Mahmud Tukur are the Non-Executive Directors to retire by rotation at the Annual General Meeting. The retiring Directors, being eligible, have offered themselves for re-election.

The profile of all the Directors, including those up for election/re-election, is in the Annual Report and on the Company's website, [www.providusbank.com](http://www.providusbank.com).









# Adventure looks better in Platinum

Wherever the season takes you, enjoy premium access and effortless spending with the Providus Platinum Mastercard.



- Enjoy:
- \$3,000 monthly international spend limit
  - Free Airport lounge access at select Nigerian airport lounges for five years
  - Exclusive travel and lifestyle offers
  - Seamless global payments

For more information, please call our Business Concierge on **070077684387, 02012270200** or email **businessconcierge@providusbank.com**.

**Get Started with ProvidusBank**





Plot 724, Adetokunbo Ademola Street, Victoria Island, Lagos.  
114, Adeola Odeku Street, Victoria Island, Lagos.