PROVIDUSBANK

2024 ANNUAL REPORT

& FINANCIAL STATEMENTS

www.providusbank.com

PROVIDUSBANK

Let's Move You Forward

At Providus, we are always about working together. We value partnerships.

You are never alone on this journey, we are with you every step of the way. Our Personalised Relationship Banking is how we do things together, it's what sets us apart.

Making a change, step by step.

We are here to make the future easy and simple - finding services and solutions to suit the needs of our customers no matter where they are in life. We show our customers the steps they need to take in order to make that Providus move.

This is your life story, your future, your forward, this is all about you.

You are never a number, you are a central part of this story. We value every individual and treat them as such. Our customers are and always will be our most important asset. Everything we do puts you first.

Reaching forward, realising the future through our innovations.

We are always changing the way we think about banking; transforming and innovating every way we can."

www.providusbank.com

providusbank providusbankig

070077684387

businessconcierge@providusbank.com

PROVIDUSBANK

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 the 1st day of August 2025 at 11.00 am to transact the following business:

ORDINARY BUSINESS:

1. To receive and consider the Audited Financial Statements for the year ended 31st December 2024 and the Reports of the Directors and External Auditors thereon.
2. To declare a dividend.
3. To elect a director/re-elect directors, retiring by rotation.
4. To disclose the remuneration of the managers of the Company.
5. Appoint/re-appoint external auditors and authorise the Directors to fix the remuneration of the external auditors for the ensuing year.
6. Any other business.

BY ORDER OF THE BOARD

Chijioke Agu (ACIS)
Ag. Company Secretary

Dated this 8th Day of July 2025

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, 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, July 21st, 2025, to Friday, July 25th, 2025.

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III. Dividends

If the proposed dividend of N0.05k only per Ordinary Share of 50 Kobo each, totalling N2,000,000,000.00, is approved, the dividend will be paid WITHIN THREE DAYS from the date of the Annual General Meeting to shareholders whose names appear in the Register of Members at the close of business on July 25, 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 Shareholder's Update form are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from the Company's website or obtained from the Registrars. The completed forms should be returned to PAC Registrars Limited, 122 Bode Thomas Street, Surulere, Lagos.

V. Voting

Voting at the meeting shall be by show of hands.

VI. Election and Re-election of Directors**

a) Election of Directors:

Mr. Nwachukwu Chukwuma, who currently heads the Treasury/Financial Institutions Department of the Bank, was nominated and approved for appointment as an Executive Director by the Board of Directors on April 15, 2025. In line with the provisions of Article 1.2 of the Corporate Governance Guideline for Commercial, Merchant, Non-Interest, and Payment Service Banks in Nigeria (CBN Code), Mr. Nwachukwu Chukwuma is presented to the members for appointment as Executive Director of Providusbank Limited, subject to approval by the Central Bank of Nigeria.

b) Re-election of Directors

In accordance with the provisions of Article 98 of the Company's Articles of Association, Mr. Agusto Fummi and Mr. Onokwai Maurice 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.

FUTURE FORWARD BANKING

Plot 54, Adetokunbo Ademola Street
Victoria Island
Lagos

Tel: +234 1 2367720
Email: businessconcierge@providusbank.com
providusbank.com

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Corporate Information

Corporate Office
Providus Bank Limited
54, Adetokunbo Ademola Street
Victoria Island, Lagos.
RC Number: **198892**

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 Agusto	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
Landmark Towers,
5B, Water Corporation Road,
Victoria Island, Lagos.

Registrar

PAC Registrars,
122 Bode Thomas Street,
Surulere, Lagos.

Company Secretary

Chijioke Agu
724, Adetokunbo Ademola Street,
Victoria Island, Lagos.

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Chairman's Statement

SUPPORTING PEOPLE AND BUSINESSES THROUGH DIFFICULT ECONOMIC CONDITIONS

Our financial performance was moderate with a Profit Before Tax of N40.6 billion, compared to the significant growth in our Balance sheet due to the challenging business environment characterised by high interest rates.

Our growth in 2024 showed that our strategy is strong to withstand the volatility within the economy and business environment, and the constant changes in the industry due to customer preferences and emerging technologies.
We made significant progress in 2024 as we fully implemented the second year of our three-year strategic plan to 2025, and with Central Bank of Nigeria's (CBN) approval of our merger with Unity Bank Plc, we are positioning the Bank for a sustainable success.

Our Bank continued to witness impressive growth in 2024 as the Balance sheet grew, with total assets of N2.5 trillion as at 31 December 2024. Our financial performance was moderate with a Profit Before Tax of N40.6 billion, compared to the significant growth in our Balance sheet due to the challenging business environment characterised by high interest rates. Despite this, I believe we have huge potential in the future, as the next phase of our strategy is to expand our reach nationwide, support more businesses and grow lower-cost retail deposits.

Our growth in 2024 showed that our strategy is strong to withstand the volatility within the economy and business environment, and the constant changes in the industry due to customer preferences and emerging technologies.

I acknowledge that there are areas for improvement, and as part of addressing this, I am happy to inform you of our on-going merger with Unity Bank Plc. This merger has the potential to help us address the challenges that the high-interest rate environment presents to Banks as we will have an expanded branch network for lower-cost, retail deposits.

During the year, we demonstrated our commitment to our social responsibility. We partnered with the Enterprise Development Centre (EDC) to provide capacity development to Small and Medium Enterprises (SMEs) and give them access to funding and markets. We partnered with the Rotary club to support less privileged communities and support the provision of necessities such as clean water and access to primary healthcare. We supported Lagos State Government's security agenda by contributing to the security fund.
I would like to thank the Board, management and staff of the Bank for their dedication and commitment to our growth.

Alh. Hussaini Dikko
Chairman

CEO's Statement

I am pleased to inform you that we have achieved the required minimum capital base and are therefore in compliance with the CBN's recapitalistion policy ahead of the deadline. We took advantage of our improved capital base to grow our balance sheet and loan books and position the bank for improved profitability in 2025.

Our growth in 2024 was driven by the consistent focus on the implementation of our strategic plan. We implemented over 95% of our strategic plan for 2024, including all aspects relating to customer service.
In 2024, we moved closer to our next growth phase through the Central Bank of Nigeria's approval of the merger with Unity Bank Plc. This merger will position the Bank with a nationwide reach, and allow us to support more people and businesses and achieve improved performance.

Our total assets as at 31 December was N2.5 trillion, up 63% from last year. Our total income was N269 billion compared to N147 billion in 2023 while Operational PBT was N10.4 billion, up 6.2% from last year.

Our growth in 2024 was driven by the consistent focus on the implementation of our strategic plan. We implemented over 95% of our strategic plan for 2024, including all aspects relating to customer service. I am pleased to inform you that we continue to receive encouraging feedback from our customers regarding the quality of our service.

We have increased our capital base in line with the Central Bank's recapitalisation policy. The policy requires that a Bank of our size should have a capital of N50Billion before March 2026. I am pleased to inform you that we have achieved the required minimum capital base and are therefore in compliance with the CBN's recapitalistion policy ahead of the deadline. We took advantage of our improved capital base to grow our balance sheet and loan books and position the bank for improved profitability in 2025.

We focused on the implementation of our strategic plan in 2024 and moved closer to our plan to scale up nationwide with the merger with Unity Bank Plc. The merger gives us access to new markets and customer segments that we have not served since inception. This means that the merger represents an opportunity for significant growth and the potential to position the Bank as one of the leading banks in the industry.

We continue to support our customers and communities. In 2024, we deepened our partnership with the Rotary club by providing financial support to allow the club to execute its objective to provide clean water and contribute to the eradication of diseases in poor communities. We provided financial support to charity organisations such as Foundation for Cancer Care and continued to participate in contributing to the Lagos State Security fund. Our partnership with Enterprise Development Centre (EDC) allowed us to provide capacity development, access to loans and equity funding to over 100 SMEs during the year in support of their growth.

Our staff propelled us through their dedication and commitment to our purpose to help businesses and people prosper. They do this daily with the highest level of passion and genuine care for our customers. We receive encouraging feedback from our customers regarding the quality of our service that shows we are making significant progress towards our strategic ambition to be number one in customer service.

I am confident that we have positioned the Bank to deliver higher value to shareholders in the coming years.

Walter Akpani
MD/ CEO

Directors' Report

For the financial year ended 31 December 2024

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 2024.

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

	2024	2023
	N'000	N'000
Gross earnings*	269,154,545	147,348,775
Profit before income tax	40,618,943	42,070,288
Income tax (charge) / credit	(7,581,797)	1,476,129
Profit for the year	33,037,146	43,546,417

*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 N2 billion for the reporting period (2023: N2.5 billion). Dividend proposed in 2023 was declared and paid during 2024 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 31 December, 2024	Direct Holdings 31 December, 2023
	Shares at 50k each	Shares at 50k each
Mr. Akpani Walter	1,887,353,335	1,887,353,335
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 2024 is as follows:

Range	Number of Shareholders	% of Shareholder	Number of Holdings	% Shareholding
100,000 - 50,000,000	11	25.58%	141,094,166	0.36%
50,000,001 - 1,000,000,000	20	46.51%	5,575,884,427	14.25%
1,000,000,001 - 20,000,000,000	12	27.91%	33,403,140,872	85.39%
Grand Total	**43**	**100.00%**	**39,120,119,465**	**100.00%**

Substantial shareholdings

Based on the shareholders' register as at 31 December 2024, 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	25.64%
Maria Katrina Investment Ltd.	3,091,749,804	7.90%
Rosa Mystica Energy Fze	3,137,254,902	8.02%
Vetiva Capital Limited	3,456,224,000	8.83%

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. 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. 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 meetings.

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 2024 that have not been taken account of in these financial statements.

Donations & Charitable gifts

The Bank donated a total of N2.03 billion (2023: N754 million) during the year as categorised below:

Sector	Amount(N)
Community Development	-
Sponsorship	1,556,577,980
Other donations and charitable gifts	470,142,743
	2,026,720,723

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 2024

	NUMBER		PERCENTAGE	
	Male	**Female**	**Male**	**Female**
Full Staff	488	553	47%	53%
Support Staff	146	229	39%	61%
	634	**782**	**45%**	**55%**

Analysis of board and top management staff

	NUMBER		PERCENTAGE	
	Male	**Female**	**Male**	**Female**
Board Members (Exec. and Non Exec.Directors)	8	2	80%	20%
Top Management Staff (AGM-GM)	9	8	53%	47%
	17	**10**	**133%**	**67%**

Analysis of board and top management staff

	NUMBER		PERCENTAGE	
	Male	**Female**	**Male**	**Female**
Assistant General Manager	5	2	71%	29%
Deputy General Manager	1	3	25%	75%
General Manager	3	3	50%	50%
Executive Directors	2	-	100%	0%
Managing Director/CEO	1	-	100%	0%
Non-Executive Directors	5	2	71%	29%
	17	**10**	**63%**	**37%**

BY THE ORDER OF THE BOARD

Mr Chijioke Agu
Acting Company Secretary
724, Adetokunbo Ademola Street,
Victoria Island Lagos.
FRC/2022/PRO/MBA/002/232169
27 March 2025

STATEMENT OF DIRECTORS' 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
27 March 202527 March 2025
FRC/2016/PRO/DIR/003/00000014357

Walter Akpani
Managing Director/Chief Executive Officer
27 March 202527 March 2025
FRC/2016/PRO/DIR/003/00000014357
FRC/2013/PRO/DIR/003/00000005007

STATEMENT OF CORPORATE RESPONSIBILITIES

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, 2024 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, 2024.

(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 2024.

(v) That we have disclosed to the Bank's Auditors and the Audit Committee the following information:
(a) 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.

(b) 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.

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.

Adeoye Ojuroye
Executive Director/ Chief Financial Officer
27 March 202527 March 2025
FRC/2016/PRO/ICAN/001/00000014356

Walter Akpani
Managing Director/Chief Executive Officer
27 March 202527 March 2025
FRC/2016/PRO/ICAN/001/00000014356
FRC/2013/PRO/DIR/003/00000005007

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: Board Audit Committee, Board Credit Committee, Board Finance and General-Purpose Committee, Board Governance Committee, and Board Risk Management Committee, an Board Cyber-Security 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

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

ProvidusBank'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, Nomination & Remuneration 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.

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

N	NAME	CAPACITY	DATE OF APPOINTMENT
1	Mallam Husiani Dikko	Chairman	May, 2016
2	Mr. Walter Akpani	Managing Director/ Chief Executive Officer	May, 2016
3	Mr. Kingsley Aigbokhaevbo	Executive Director/ Deputy Managing Director	May, 2016
4	Mr. Chuka Eseka	Non-Executive Director	May, 2016
5	Mr. Maurice Onokwai	Non-Executive Director	May, 2016
6	Mr. Funmi Agusto	Non-Executive Director	May, 2016
7	Mrs. Bernadine Okeke	Non-Executive Director (Independent)	Mar, 2018
8	Dr. (Mrs.) Belinda Bobby Diei	Non-Executive Director (Independent)	Aug, 2021
9	Mr. Adeoye Ojuroye	Executive Director/ Chief Financial Officer	Dec, 2022
10	Mr. Mahmud Tukur	Non-Executive Director	July, 2024

Alhaji Hussaini Dikko
- CHAIRMAN

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.

Mr. Walter Akpani
- MANAGING DIRECTOR/CEO

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

- DEPUTY MANAGING 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.

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 Deputy Managing Director, ProvidusBank, he superintends Business Banking, Banking services as well as operational excellence.

Kingsley has a very active interest in tennis and wine tasting

Mr. Adeoye Ojuroye

– EXECUTIVE DIRECTOR

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

He has a combined 16 years of financial services experience both in the United Kingdom and Nigeria, with expertise in the areas of retail, commercial and investment banking, insurance, private equity, assets & sales finance and equities brokerage.

Before he was appointed as 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 responsibility for managing the audit engagements of multinational banking and insurance clients, covering all aspects of the clients' financial reporting process, including assessments of the effectiveness of internal controls over financial reporting.

He has managed several due diligence and finance function effectiveness engagements both in Nigeria and the UK.

Mr. Maurice Onokwai
- 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 Agusto
- NON-EXECUTIVE DIRECTOR

Obafunmilayo (Funmi) Agusto 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 Agusto & 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
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.) Belinda Bobby Diei
– INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr Diei is widely acknowledged and recognized as a legal luminary, having held prestigious positions including National publicity secretary/editor of the International federation of women congress (FIDA), National secretary of FIDA, sub-editor of FIDA (Africa) and also the distinction of becoming the first and only Nigerian to attain the position of vice president of FIDA. She was called to the Nigerian Bar in 1982. She is also a member of the International Bar Association and founder of the Women Justice Program, a non- governmental organization accredited to the United Nations.

She is the principal partner of Belinda Bobby Diei & co (Agugua chambers)

Dr. Dei has also held several other positions including director, Imo state tourism board and has served as Chairman of several organizations and has also served as company secretary/legal adviser to several corporate bodies including multi-nationals.

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 Mahmud Tukur
- NON-EXECUTIVE DIRECTOR

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

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

BOARD AUDIT COMMITTEE

The membership of the Committee during the year is as follows:
1. Mrs. Bernadine Okeke - Chairman
2. Mr. Funmi Agusto
3. Mr. Maurice Onokwai
4. Dr (Mrs). Belinda Diei
5. Mr. Chuka Eseka

BOARD RISK MANAGEMENT COMMITTEE

The membership of the Committee during the year is as follows:
1. Mr. Funmi Agusto - Chairman
2. Mr. Walter Akpani
3. Mr. Kingsley Aigbokhaevbo
4. Mr. Chuka Eseka
5. Mrs. Bernadine Okeke
6. Dr (Mrs). Belinda Diei
7. Mr. Adeoye Ojuroye
8. Mahmud Tukur

BOARD GOVERNANCE 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 Agusto
6. Mr. Adeoye Ojuroye
7. Mahmud Tukur

BOARD CYBERSECURITY COMMITTEE

1. Mahmud Tukur - Chairman
2. Mr. Walter Akpani
3. Mr. Kingsley Aigbokhaevbo
4. Mr. Chuka Eseka
5. Mr. Funmi Agusto
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, 2024. 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.

	NAME	BOARD (6)	BAC(5)	BCC(8)	BRMC(4)	BGC(4)	NABFGP (4)
1	Mallam Husiani Dikko	6	nil	nil	nil	nil	nil
2	Mr. Walter Akpani	6	nil	8	4	nil	4
3	Mr. Kingsley Aigbokhaevbo	6	nil	8	4	nil	4
4	Mr. Chuka Eseka	6	5	8	4	4	nil
5	Mr. Maurice Onokwai	6	5	8	nil	4	4
6	Mr. Funmi Agusto	6	5	8	4	nil	4
7	Mrs. Bernadine Okeke	6	5	8	4	4	nil
8	Dr (Mrs). Belinda Diei Bobby	4	4	nil	4	4	4
9	Mr. Adeoye Ojuroye	6	nil	8	4	nil	4
10	Mr. Mahmud Tukur	3	2	3	2	2	2

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

Awards & Recognition

ProvidusBank was honoured to be recognized for outstanding services across various aspects of banking. We continue to strive for excellence, delivering personalized, secure and innovative solutions that meet and exceed the expectations of our valued customers.

Mastercard
FIRST LAUNCH OF QR ON CARD IN AFRICA

Rotary District 9110
MAY, 2024

New Telegraph
FASTEST GROWING BANK OF THE YEAR

Rotary District 9110
MAY, 2024

New Generation Bank of the Year
SEPTEMBER 2024

NOA Awards
AUGUST 2024

Inclusion Awards
FEBRUARY, 2024

Sustainability Report

Since commencing business in 2016, Providus Bank's sustainability outlook has been rooted in its vision to build an enduring and sustainable customer-focused financial institution. The bank aims to achieve this by providing customers with unique experiences, being their preferred financial partner, and nurturing the attainment of their objectives. Providus Bank understands the significance of its business environment in attaining its overall goals and objectives, hence it strives to actively manage environmental and social risks, finance identified business opportunities and reduce operational footprints.

Over the years, Providus Bank continues to make significant impact in its sustainability journey. This goal becomes attainable through a strong governance evidenced by the development of robust policy and procedures for both the business activities and business operations.

As a responsible lender, we ensure our lending process only encourages financing businesses that could result in positive environmental and social impacts locally and globally. This is emphasized in our underwriting process and documented in various agreements to drive compliance.
Some notable clients' projects financed by the Bank in the bid to ensure positive impact on the environment as well as to complement the CBN's Nigerian Sustainable Banking principles initiative are as detailed below.

ROMCO RECYCLING COMPANY LIMITED: The company collects renewable waste from landfill, particularly within burdened developing nations, recycle and refines the discards into usable materials for the manufacturing of necessities like packaging, vehicles, medical equipment, and construction supplies. These wastes are smelted and transformed into ingots which are then exported to countries like UK, China, Germany etc. The project has been instrumental to providing income for indegenes, creating more useful items while ultimately ensuring a cleaner and more environmentally friendly climate as the alternative would have been to burn or dispose the scraps indiscreminately. The project also serves as a source of FX reserves for the Country a testament to the waste to wealth philosophy.

MIDMAC CONSTRUCTION NIGERIA LIMITED: Providus Bank financed the execution of a contract awarded to them by 3 LGA in Kaduna State namely: Kubau, Jema & Kaduna South LGA for the drilling and construction of Motorized Solar Powered Borehole in these LGA's with the aim to providing Portable water using clean energy source to economically disadvantaged group.

ProvidusBank also facilitated several Oil & Gas Companies with speciaalization in CNG (Compressed Natural Gas) delivering clean, cost effective and sustainable energy solutions to power, commercial and industrial sectors within the Nigerian Clime and the African Continent. Gas as a "cleaner" fossil fuel, is used as a viable and cleaner alternative for electricity generation compared to diesel.

BRILLIANT MODEL TECH LIMITED: The customer was awarded a Contract from Federal Ministry of Finance, Budget and National Planning for the Supply of 100 Electric Vehicle Buses to The Federal Ministry of Finance, Abuja; with the attendant effect of reducing dependence on fosil fuels which increase carbon emmissions.

As a Future Forward Bank, one of our strategic ambitions is to be among the top 3 banks in SME banking, while developing expertise and collaboration to improve the non-oil (emerging) sector of the Nigerian Economy (Agriculture, Mining, Hospitality, E-commerce, Art & Entertainment & Manufacturing). this it demonstrates by curating well tailored SME Product Paper to make access to loan easy. While SMEs are typically modest in size, such businesses contribute significantly to economies and are the vanguard of innovation, output expansion, employment creation, exports, income redistribution and entrepreneurship.

To buttress this commitment, the Bank showed its unwavering support to the victims of the Idumota Market by providing advisory support as well as concessions to bring its affected clients back on their feet. Other initiatives to support our SME customers are as detailed below:

1) ProvidusBank SME Program in partnership with EDC where 100 SMEs are trained to scale up their businesses, through four strategic initiative: Access to Capacity building, Access to finance, Access to market, and Access to investment. The program runs for about 2 months.
2) Green Business Management Program in partnership with NCIC where we train 100 SMEs within the Green and Sustainability sector; providing them with the same strategic initiatives. The program runs for about 6 weeks.
3) ProvidusBank Wellness Initiative: ProvidusBank partnered with companies/organization within the wellness space, offering product & services at discounted rates to both new and existing customers.
4) ProvidusBank State Engagement Program: where ProvidusBank reciprocate the same initiative with EDC at different state aside Lagos state. This program is a weeklong program.
5) Access to market initiative: Where the bank took 5 customers to South Africa for them to exhibit and sell their product on a different market platform.
6) GENN Partnership: Within this partnership there were series of programs such as Creative Business Cup, Entrepreneurship World Cup, Agrohack challenge etc.

Governance Structure

Providus Bank boasts of a well rounded Board with oversights into the Bank's activities in the Social and Environmental Management Systems. The SEMS policy is supported by comprehensive process and procedure for lending activities, e Health and Safety and general operations to manage footprint. In line with the governance structure, the board of the Bank has overall responsibility for full oversight of the bank's sustainability journey. The policy also complies fully with the requirements of the CBN's Nigerian Sustainable Banking Principles (NSBP) and communicated bankwide.

While Business Operations relate to other activities outside lending, Business Activities are primarily anchored by Risk Management through the dedicated Social and Environmental Management Systems (SEMS) Officer who reports to the Head, Risk Governance & Reporting.
The SEMS Officer ensures the enforcement of the SEMS policy approved by the Bank's Management and Board. This is achievable through effective integration of the environmental and social risk assessment techniques into the Bank's lending process. The Bank's Management and the Board have also been trained on SEMS. This capacity building on sustainability initiative is a continum to sustain risk education and bankwide awareness.

However, the SEMS activities form part of the inputs into the overall sustainability initiatives of the Bank which is reported to the Central Bank of Nigeria bi-annually through the Sustainability Champion.

2024 Sustainability Landmark

(i) Policy and process development
The approved and updated sustainability policy has been fully integrated into the Bank's lending processes. For instance, detailed project categorisation and risk assessment is ensured as part of the underwriting. This provides clear transaction scoring and mapping as either category A, B or C with detailed recommendation of required action steps. Both categories A and B may require comprehensive environmental impact assessment to guide the Bank's lending process and ability to design acceptable action plans for effective compliance checks. Category C are characterised with minimal risk and borrowers are made to commit to ensuring activities that may culminate into negative impact are avoided. Although the Bank is yet to deploy robust automated reporting system, various management and board reporting templates designed are deployed to support timely management information. The approved policy was complimented by a five-year implementation roadmap which underscored the deployment and institutionalisation of different initiatives as well as the milestone attained by the bank. The revised three-year initiative roadmap was compiled in 2022 to ensure the bank sustains its commitment to

sustainable banking. These include continuous capacity building, design of flexible lending criteria for Women owned or Women managed enterprises and other financial inclusion initiatives.

(ii) Lending Process
In carrying out its Business Activities, all transactions are reviewed for compliance with the Social and Environmental Management System (SEMS). This enables the Bank assess those transactions that would require high end risk assessment through the use of E&S assessment tool. The Bank's lending process is embedded in the action points to ensure SEMS issues are properly identified and comprehensively analysed. As part of our Evironmental and Social (E&S) assessment, each lending transaction is screened at on-boarding stage and classified as follows:

- Category A: Project is likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented.
- Category B: Project may result in specific environmental impacts, but these impacts are site specific; few in number and largely reversible
- Category C: Project is likely to have minimal or no adverse environmental impacts.

E&S risk validation is done by the underwriters/SEMS officer (in consultation with the CRO). The Bank also onboarded Environmental Impact Assessment (EIA) consultants to partner with especially where the underlying transaction is mapped to high E&S risk i.e. category A.
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 EIA reports are pre-approval requirements in the Bank's lending process for category A projects.

(iii) Capacity Building and Communication
The Bank has institutionalised SEMS principles through regular capacity building in form of e-learning and in-house training programmes. All staff of the Bank from grade level of senior management and below completed the in-house curated training and assessment which focused on the CBN Nigerian Sustainable Banking Principles; with the aim to increase general awareness on the regulatory requirement on Sustainability. This was also complemented by specific trainings for different roles in order to build required competences.
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.
The capacity building objective is further entrenched through Train –the – Trainers initiatives 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's corporate social responsibility (CSR) focus areas include Youth Development and Education. For instance, Providus Bank hosted Nobel Laureate Professor Wole Soyinka at an Evening of Life and Ideas event on UNESCO's World Poetry Day, promoting poetry and literacy. The Bank also participated in the financial literacy programme where selected staff were sent to secondary schools across Abia, Abuja, Delta & Lagos Ondo.

(iv) Women Empowerment
No Tolerance March with Women At Risk International Foundation: 'WARIF launched the No Tolerance Campaign in 2019 to raise awareness and advocate for a society free from SGBV. Each year, thousands of participants worldwide unite at WARIF's No Tolerance March (NTM) to combat rape and sexual violence. This year marks the sixth consecutive NTM, and WARIF extended the campaign to even more cities, with the march held on Saturday, December 7, 2024. Its alignment with the Global SDGs ensures that ProvidusBank not only fulfils its Corporate Social Responsibility (CSR) but also contributes to a more equitable and sustainable future for all.

Providus Bank also prides itself as Great Place to Work, offering equal opportunities to all staff (irrespective of gender) to advance in their careers. 54% of its workforce. are women with a significant number occupying manegarial positions.
Sponsoring Deborah Quickpen for The World Championship In Georgia: ProvidusBank Sponsored the novelty Chess Match between Deborah Quickpen and Tunde Onakoya a This is in line with our strategic focus on CSR in line with educating the Girl Child. Deborah Quickpen, at the age of 11, is the Nigerian Women's female Chess Champion and ranked No.4 in Africa, she is on the path to becoming Nigeria's first Grandmaster.
Beyond the thrill of the competition, a large portion of the funds were donated to Chess in Slums and a fund to support Deborah's career.

(v) Regulatory Reporting
Providus Bank ensures timely activity reporting to the Central Bank of Nigeria. The mandatory half-yearly sustainability report is submitted every 7th day of the succeeding month to the reporting period, precisely July and January of every year.

(vi) Collaboration
Following the enlistment of ProvidusBank by the International Finance Corporation (IFC) in 2022, we have continued to enjoy the Corporation's collaboration and free advisory engagements . The 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.
The Bank partnered with The Banker's committee in partnership with Junior Achievement Nigeria, The Daniel Ford Foundation for the Deborah Quickpen Chess Tournament sponsorship, the Join The Cast Initiative for the Malaria Football Initiative as well as The Lagos State Government for Accelerating Climate Finance and Championing Local Adaptation Initiatives.

(vii) Reduction of Carbon Footprint
The Bank's investment in the installed dedicated power lines from PHCN continues to guarantee longer hours of power supply and reduce its dependence on diesel as an alternative source of power.
Renewable Energy Product Paper: The Product Paper is designed to enable the Bank to meet the energy supply needs of individuals and SMEs in an environmentally friendly manner whiles also putting the Bank at the fore of its sustainability drive.
Automation of several processes has been instrumental to the reduction of paper usage.

TARGET FUTURE INITIATIVES

Our Bank plans strong collaboration with other multilateral institutions such as 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 – Through our lending process, our Bank pays significant attention to women owned/managed businesses.The Bank launched the product paper tagged the Regal Woman. The Providus Woman's account connotes confidence, independence and the courage required by women to fulfil their aspirations. It is designed to engage, inspire and equip potential and existing women to take bold steps that would launch themselves and their businesses to greater heights.

Providus Bank has entered into strategic partnership with several Agent Banks in order to provide basic banking services on its behalf thus, enabling access to financial services in areas with limited bank presence and promoting financial inclusion.

Reports on the resolution of Customers' Complaints for 2024

Below is a breakdown of complaints received and resolved by the Bank during the year ended 31st December 2024 pursuant to CBN circular dated April 16, 2011:

Description	Number	Amount Claimed	Amount Refunded
Pending Complaints from Prior Year	89	124,781,984	-
Received Complaints	13,839	1,556,751,141	-
Resolved Complaints	(13,884)	(1,676,706,066)	1,676,706,066
Unresolved Complaints escalated for CBN intervention	-	-	-
Unresolved Complaints pending with the Bank C/F	44	4,827,059	-

Martins Okoro
Internal Audit

Aina Amah
Head, Internal Audit

Report of Independent Auditors

KPMG

Report of the Independent Consultant to the Board of Directors of Providus Bank Limited on their Appraisal for the Year Ended 31 December 2024.

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 2024. 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 for further improving the Bank's governance practices have been articulated and included in our detailed report to the Board. These include a recommendation on Board composition.

Tolu Odukale
Partner and Head, Internal Audit, Governance, Risk & Compliance Services
FRC/2018/ICAN/00000018175
27th March 2025

PROVIDUSBANK

Annual Report and Financial Statements for the year ended
31 December 2024

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 Nigeria, we hereby make the following statements regarding the Internal Controls of Providus Bank Limited for the year ended 31 December 2024:

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 Commission (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 2024 is *effective*.

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	Name: Walter Akpani
Chairman	Managing Director
FRC No: | FRC/2017/PRO/DIR/003/00000016746	FRC No: | FRC/2013/PRO/DIR/003/0000005007

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PROVIDUSBANK

Annual Report Financial Statements for the year ended
31 December 2024

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 2024.

1. 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...

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ProvidusBank, BC No. 198892
H.A Dikko(Chairman), W. Akpani (MD/CEO), K. Aigbokhaevbo(Deputy Managing Director), A. Ojuroye (Executive Director), C. Eseka, M. Onokwai, F. Agusto, B. Okeke, B. B. Diei, M Tukur

PROVIDUSBANK

the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (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: 27/3/2025

PROVIDUSBANK

Annual Report and Financial Statements for the year ended
31 December 2024

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 2024.

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...

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.

PROVIDUSBANK

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (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
Designation: Executive Director/ CFO
FRC No: FRC/2016/PRO/ICAN/001/00000014356

Date: 27/3/2025

724 Adetokunbo Ademola Street,
Victoria Island,
Lagos.

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businessconcierge@providusbank.com
providusbank.com

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

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's") are not adequate as of 31 December 2024, 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, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The 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.

Basis for opinion

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

Definition and Limitations of Internal Control over Financial Reporting

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that...

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

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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 29 April 2025 expressed an unqualified opinion.

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

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0757223

29 April 2025

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

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 2024, and of its financial performance and its cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board "IFRS Accounting Standards" 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 2024;
- the statement of financial position as at 31 December 2024;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

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

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

Independence

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

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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
Expected credit losses on loans and advances to customers (refer to notes 2.10, 4a and 19)	
The estimation of expected credit losses (ECL) on loans and advances to customers is considered to be a key audit matter because of its significance to the financial statements and requires a high level of subjective judgement. The gross balance of loans and advances to customers as of 31 December 2024 was N827 billion for the Bank. The associated impairment allowance on loans and advances to customers was N26.2 billion. The measurement of loss allowance is highly subjective and involves the exercise of significant judgements and the use of complex models and assumptions. The significant judgments in the estimation include: - determination of the Bank's definition of default and significant increase in credit risk (SICR); - input assumptions and judgments applied in estimating probability of default (PD), Loss Given Default (LGD), and Exposure At Default (EAD) which are key parameters in the ECL model and - incorporation of macro-economic inputs (such as Monetary Policy Rate and Real GDP growth rate) and forward-looking information into the ECL model and probability weightings applied to them.	We adopted a substantive approach to the audit of the expected credit loss allowance. To assess management's determination of default and significant increase in credit risk, we selected a sample of customers and performed the following procedures: ◦ we examined loan contracts, file memos, correspondences, and account statements to assess management's conclusions relating to default and SICR. ◦ we tested the significant inputs into the ECL model such as outstanding balance, maturity date and applied contractual rate, to verify the accuracy of the inputs. With the assistance of our modelling experts, we: ◦ evaluated the appropriateness of the IFRS 9 impairment methodology as well as the ECL calculation tool for reasonableness. ◦ assessed the value of collateral applied in the calculation of LGD for compliance with the requirements of IFRS 9; ◦ assessed the assumptions relating to estimated timing and amount of forecasted cash flows applied in the calculation of PD and EAD for compliance with the requirements of IFRS 9; ◦ tested the inputs into the model relating to default and loss experience by checking to historical data; ◦ evaluated the appropriateness of forward-looking economic inputs and their associated scenario weights by comparing to available industry information and checking that they have been appropriately incorporated into the ECL model; and ◦ checked the accuracy of ECL computation by performing an independent computation for a selected sample of loan exposures. We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9.

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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 2024, Management Annual Assessment on 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 bank 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 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 2024.

In accordance with the requirements of the Financial Reporting Council, 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 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 29 April 2025.

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

29 April 2025

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

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Full Year Financial Highlights

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GROSS EARNINGS

269.1bn

83% (Y/Y Movement)

LOANS AND ADVANCES

824Bn

63%(Y/Y Movement)

TOTAL ASSETS

2.5Trn

63% (Y/Y Movement)

STAKEHOLDERS' FUNDS

135.5bn

44% (Y/Y Movement)

CUSTOMER DEPOSITS

2.1trn

69%(Y/Y Movement)

Statement of Profit or Loss and other Comprehensive Income

	Note	31 Dec. 2024 N'000	31 Dec. 2023 N'000
Interest income	5	188,025,058	93,401,561
Interest expense	6	(137,199,970)	(55,087,763)
Net interest income		**50,825,088**	**38,313,798**
Impairment on financial assets	7	(18,860,943)	(8,396,095)
Net interest income after impairment charges		**31,964,145**	**29,917,703**
Fee and commission income	8	29,491,238	14,796,182
Fee and commission expense	9	(1,987,791)	(1,255,270)
Net fee and commission income		**27,503,447**	**13,540,912**
Net trading gains	10	21,308,186	6,724,294
Other income	11	30,330,063	32,426,737
Net operating income		**111,105,841**	**82,609,646**
Personnel expenses	12	(17,193,170)	(10,553,319)
Other operating expenses	13	(45,613,450)	(25,760,378)
Deprecation and amortisation	14	(7,680,278)	(4,225,661)
Profit before tax		**40,618,943**	**42,070,288**
Income tax (charge)/credit	29	(7,581,797)	1,476,129
Profit for the year		**33,037,146**	**43,546,417**
Items that may be subsequently reclassified to the income statement:			
Net changes in fair value of financial assets FVOCI		2,366,289	-
Other comprehensive income, net of related tax effects:		2,366,289	-
Total comprehensive income for the year		**35,403,435**	**43,546,417**
Profit for the year attributable to:			
Owners of the Bank		33,037,146	43,546,417
Profit for the period		**33,037,146**	**43,546,417**
Total comprehensive income attributable to:			
Owners of the bank		35,403,435	43,546,417
Total comprehensive income for the year		**35,403,435**	**43,546,417**
Earnings per share for profit attributable to owners of the Bank:			
Basic and Diluted			
Earnings per share (kobo):	15	90	116

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

Statement of Financial Position

Assets	Note	31 Dec. 2024 N'000	31 Dec. 2023 N'000
Cash and bank balances	16	19,427,908	7,417,497
Due from other financial institutions	17	530,219,196	134,383,472
Financial assets at fair value	18	117,627,271	75,893,164
Loans and advances at amortised cost	19	800,827,227	494,188,762
Other financial assets at amortised cost	20	289,695,271	192,532,300
Cash reserve balance with Central Bank of Nigeria	21	579,614,616	496,902,084
Other assets	22	140,687,533	130,939,572
Investment property	23	-	3,264,527
Property and equipment	24	74,884,985	31,362,195
Right of use assets	25.1	612,737	560,616
Intangible assets	26	2,359,554	2,118,912
Deferred tax assets	33	2,559,135	2,559,135
		2,558,515,433	1,572,122,236
Assets classified as held for sale	23.1	3,264,527	-
Total Assets		**2,561,779,960**	**1,572,122,236**
Liabilities			
Deposits from customers	27	1,574,471,476	1,119,141,707
Borrowed funds	28	619,511,605	181,976,497
Current income tax liability	29	7,975,223	1,340,234
Debt Securities Issued	30	15,789,907	9,694,859
Other liabilities	31	205,120,326	163,315,824
Lease liabilities	32	348,674	393,801
Total liabilities		**2,423,217,211**	**1,475,862,922**
Equity			
Share capital	34	19,560,060	19,560,060
Share premium	34.2	21,562,674	21,562,674
Deposit for shares	34.1	9,400,000	-
Retained Earnings	34.3	39,441,010	17,388,742
Other reserves	34.5	48,599,005	37,747,838
Total equity		**138,562,749**	**96,259,314**
Total equity and liabilities		**2,561,779,960**	**1,572,122,236**

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 27 March 2025 and signed on its behalf by:

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

Alhaji Hussaini Dikko,
Chairman
FRC/2017/NIQS/00000016746

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

Statement of Changes In Equity

	ATTRIBUTABLE TO EQUITY HOLDERS									
				OTHER RESERVES						
	SHARE CAPITAL	SHARE PREMIUM	DEPOSIT FOR SHARES	STATUTORY RESERVES	REG.RISK RESERVE	FAIR VALUE RESERVE	SMEEIS RESERVE	AGSMEEIS RESERVE	RETAINED EARNINGS	TOTAL
	N000	N000	N000	N000	N000	N000	N000	N000	N000	N000
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	-	-	-	-	-	-	-	-	-	33,037,146
Other comprehensive income, net of tax	-	-	-	-	-	2,366,289	-	-	33,037,146	**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 Dec., 2024	**9,560,060**	**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**
	-		-	-	-	-	-	-	-	-
Balance at 1 January 2023	**18,018,393**	**13,854,341**	-	**6,735,554**	**4,380,135**	-	**1,136,487**	**1,107,743**	**32,083**	**45,264,736**
Profit for the year	-	-	-	-	-	-	-	-	43,546,417	43,546,417
Total comprehensive income for the year	-		-	-	-	-	-	-	-	-
Transfers between reserves	-	-	-	13,063,925	6,969,352	-	2,177,321	2,177,321	**43,546,417**	**43,546,417**
Transactions with owners:	-	-	-	-	-	-	-	-	(24,387,919)	-
Issue of shares	1,541,667	7,708,333	-	-	-	-	-	-	-	9,250,000
Dividend paid	-	-		-	-	-	-	-	(1,801,839)	(1,801,839)
Balance at 31 Dec., 2023	**19,560,060**	**21,562,674**		-	**11,349,487**	-	**3,313,808**	**3,285,064**	**17,388,742**	**96,259,314**

Statement of Cash Flow

	NOTE	31 DEC. 2024	31 DEC. 2023
		N000	N000
Cash flows from operating activities			
Cash used in operations	35	(152,894,052)	(20,772,545)
Interest received	5	154,481,282	90,166,221
Interest paid		98,194,230	(52,694,167)
Income tax paid	29b	(946,808)	(454,061)
Net cash flow generated from operating activities		**98,834,652**	**16,245,448**
Cash flows from investing activities			
Purchase of property and equipment	24	(50,022,538)	(12,617,917)
Addition to right of use asset	25	(158,186)	(175,848)
Proceeds from disposal of property and equipment		16,069	6,473
Purchase of intangible asset	26	(1,223,000)	(542,111)
Purchases of investment securities		(296,073,752)	(225,680,507)
Proceeds from matured/disposal of investment securities		176,045,146	97,402,026
Net cash flow used in investing activities		**(171,416,261)**	**(141,607,884)**
Cash flows from financing activities			
Dividends paid	34.4	(2,500,000)	(1,801,839)
Proceeds from deposit for shares	34.1	9,400,000	-
Proceeds from issue of shares	34	-	9,250,000
Proceeds from borrowings	28	612,365,347	215,317,240
Repayment of borrowings	28	(174,830,239)	(79,711,951)
Lease payments	32	(246,290)	(71,707)
Net cash flow generated from financing activities		**444,188,818**	**142,981,743**
Net increase in cash and cash equivalents		**371,607,209**	**17,619,307**
Cash and cash equivalents at start of year	16.1	141,800,970	86,773,894
Effect of exchange rate fluctuations on cash and cash equivalents		36,238,925	37,407,769
Cash and cash equivalents at end of year	**16.1**	**549,647,104**	**141,800,970**

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

2.1Basis of preparation

The financial statements for the year ended 31 December 2024 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 7**

-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 2024 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 a change to where these gains or losses are recognised, and the group is 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 the functional currency 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 transactions 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.

2.6Property 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 and the	The shorter of the lease term useful life 4 years
Motor vehicles	4 years
Computer hardware	3 years
Furniture and fittings	5 years
Plant and machinery	5years

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 its a gain on disposal and other expenses if its a loss on disposal in the year the asset is derecognised.

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.

LEASE

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.

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 relcassifies 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 12months 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.

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 unlikeliness 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 note3.2 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 with 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 the 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 compares 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 behaviour 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 asset 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 recognise 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.

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

a 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.

b 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.

c. 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 hierachy
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 acapitalisation 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 fulfiling 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.

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 N80 billion) were direct lending to Small and Medium Enterprises (SMEs) under a ringfenced financing scheme. 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:

BANK

	CORPORATE BANKING	COMMERCIAL BANKING	INSTITUTIONAL BANKING	PRIVATE BANKING	PERSONAL BANKING	TREASURY SERVICES	E-BUSINESS
CREDIT RISK EXPOSURE	HIGH	HIGH	MEDIUM	LOW	LOW	LOW	LOW
OPERATIONAL RISK EXPOSURE	MEDIUM	MEDIUM	MEDIUM	LOW	LOW	LOW	HIGH
MARKET RISK EXPOSURE	LOW	LOW	LOW	LOW	LOW	MEDIUM	LOW

Lines of defense for risk management
Although the overall responsibility for enterprise risk rests with the board of directors, the Bank operates a system that emphasises three lines of defense for the management of enterprise risks as follows:

1 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.

2 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.

3 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 defense for risk management is represented graphically below:

BOARD OF DIRECTORS		
FIRST LINE OF DEFENSE -Risk Taking	SECOND LINE OF DEFENSE -Risk Oversight	THIRD LINE OF DEFENSE -Risk Assurance
Board	Risk Management & Control Functions	Independent Assurance Function
Senior Management	Credit Management Functions	Internal Audit
Business Heads	Market Risk Management Function Assets & Liability Management	External Audit
Frontline Officers	Assets & Liability Management	Compliance

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 rigorous underwriting 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

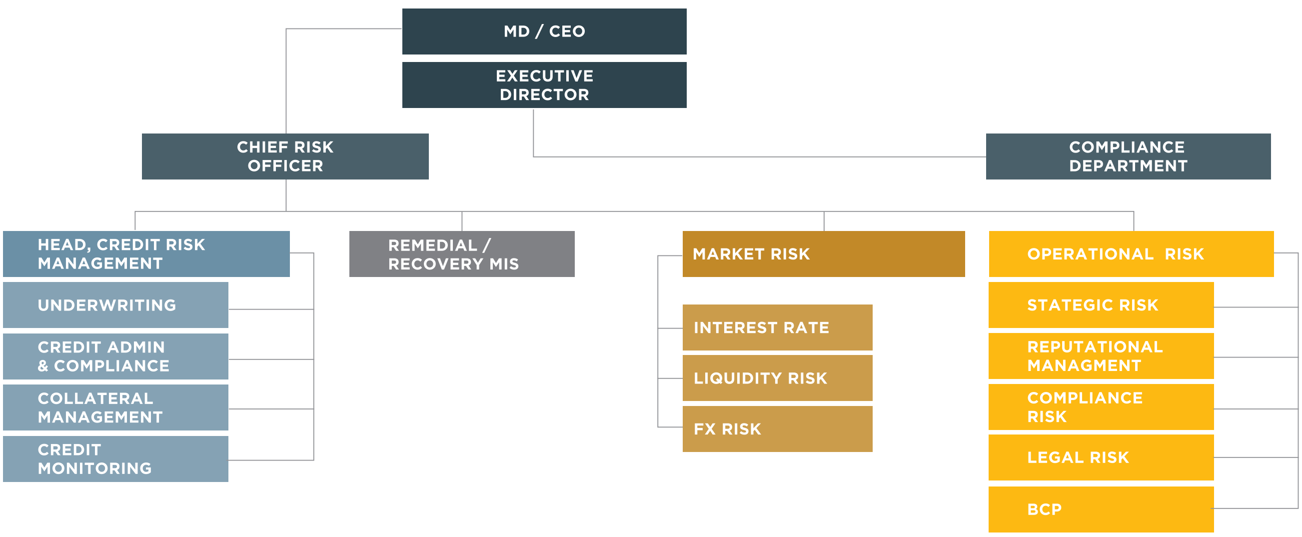
established standards and frameworks in its daily activities. Hard limits are defined for credit approvals by the management to uphold the sound combined experience resident among the senior management team. The Risk Management Committee through the Chief Risk Officer provides effective support to ensure 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 Assessment within an half-yearly frequency. This process enables Risk Management to evaluate residual risks for proactive resolution 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. Internal control 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 authorities such as Nigerian Deposit Insurance Corporation (NDIC) among others.

The structure of Risk Management has improved significantly to effectively position the 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 obligors are rated through dedicated 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 Bank defines proxy Probability of Default (PD) estimates for each risk grade which is validated after 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) which dovetails 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 assessment model was designed along 12 months and 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 Risk organisation and governance

(continued) 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
Liquidity risk	-	ü
Legal risk	ü	ü
Strategic risk	ü	ü
Compliance risk	ü	ü

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	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
	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 employer non-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
	Trading Stop Loss Limit	Trading Stop Loss Limit = N7.5m on portfolio (for both FX and	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
OperationalRisk	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 0.2%
	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):

1. Changes in the Obligor's risk rating either within

or outside a rating bank
2. Absolute or relative changes in the Obligor's PD
3. Evidence of restructure or forbearance
4. 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: MOODYS' S & P, AND FITCH				ProvidusBank	
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		13.80%	CC-	N/A
Caa3	CCC-		100.00%	C+	N/A
Ca	CC			C	N/A
	C			C-	N/A
C	D	DDD		N/A	N/A
/		DD		N/A	N/A
/		D		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 N2.5 billion but capped at 18% of SHF unpaid by losses.
Management Credit and Investment Committee	Up to N2.5 billion

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 2024 and 31 December 2023 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	31 DECEMBER 2024	31 DECEMBER 2023
Figures in thousands of naira		
Cash and bank balances (note 16)	3,527,041	2,968,881
Due from other financial institutions (note 17)	530,219,196	134,383,472
Financial asset at fair value through profit or loss (note 18)	117,627,271	75,893,164
Financial assets at amortised cost (note 20)	289,695,271	192,532,300
Cash reserve balance with Central Bank of Nigeria (note 21)	579,614,616	496,902,084
Other financial assets (note 22)	121,820,186	106,669,910
Loans and advances at amortised cost:	623,572,614	408,101,057
-Term loans (note 19)	177,254,613	86,087,703
-Overdraft (note 19)	800,827,227	494,188,761
	2,443,330,808	1,503,538,572

The table above shows a worst-case scenario of credit risk exposure to the Bank as at 31 December 2024 and 31 December 2023 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	31 DECEMBER 2024	31 DECEMBER 2023
Figures in thousands of naira		
Bonds and guarantees	215,453,301	98,614,789
Letters of credit	128,417,126	118,910,752
	343,870,427	217,525,541

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 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 2024	
	Extremely Low Risk	Very Low Risk	Low Risk	Acceptable Risk	Moderately High Risk	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		-	-	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	-	-	290,154,977
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 ON-BALANCE SHEET ITEMS							31 DECEMBER 2023
	Extremely Low Risk	Very Low Risk	Low Risk	Acceptable Risk	Moderately High Risk	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	-	-	-	7,417,497	-	-	7,417,497
Due from other financial institution	5,013,416	537,486	30,486,298	98,346,272	-	-	134,383,472
Financial assets at fair value	-	-	-	75,893,164	-	-	75,893,164
Financial assets at amortised cost	-	-	-	194,158,818	-	-	194,158,818
Cash reserve balance with Central Bank of Nigeria	-	-	-	496,902,084	-	-	496,902,084
Other financial assets	-	106,669,910	-	-	-	-	106,669,910
Loans and advances at amortised cost:	-	-	-	-	-	-	-
-Term loans	312,603	5,566,319	263,545,316	138,259,949	416,871	-	408,101,058
-Overdraft	-	2,972,503	50,006,902	32,007,808	76,298	-	85,063,512
	5,326,019	115,746,218	344,038,516	1,042,985,592	493,170	-	1,508,589,514

CREDIT QUALITY OF OFF-BALANCE SHEET ITEMS							31 DECEMBER 2024
	Extremely Low Risk	Very Low Risk	Low Risk	Acceptable Risk	Moderately High Risk	High Risk	Maximum Exposure To Credit Risk
	N'000	N'000	N'000	N'000	N'000	N'000	N'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

CREDIT QUALITY OF OFF-BALANCE SHEET ITEMS							31 DECEMBER 2023
	Extremely Low Risk	Very Low Risk	Low Risk	Acceptable Risk	Moderately High Risk	High Risk	Maximum Exposure To Credit Risk
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Bonds and Guarantees	-	-	98,614,789	-	-	-	98,614,789
Letters of credit	-	-	118,910,752	-	-	-	118,910,752
	-	-	217,525,541	-	-	-	217,525,541

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST 31 DECEMBER 2024	STAGE 1	STAGE 2	STAGE 3	TOTAL
	N'000	N'000	N'000	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	-	-	-	-
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

LOANS AND ADVANCES TO CUSTOMERS AT AMORTISED COST 31 DECEMBER 2023	STAGE 1	STAGE 2	STAGE 3	TOTAL
	N'000	N'000	N'000	N'000
Grades A+ -AAA: Extremely Low Risk	312,602	-	-	312,602
Grades BBB- A: Very Low risk	8,061,924	-	476,900	8,538,824
Grades B--BB+: Low risk	262,622,413	68,668,363	5,789,817	337,080,593
Grades CC+-CCC+: Acceptable Risk	132,356,987	23,175,946	4,695,457	160,228,390
Grades CC--CC: Moderately High Risk	20,693	-	472,421	493,114
Grades C--C+: High Risk	-	-	-	-
Total gross carrying amount	**403,374,619**	**91,844,309**	**11,434,595**	**506,653,523**
Loss allowance	(6,555,600)	(2,533,399)	(3,375,763)	(12,464,762)
Carrying amount	**396,819,019**	**89,310,910**	**8,058,832**	**494,188,761**

LOSS ALLOWANCE DISTRIBUTION	31 DECEMBER 2024			31 DECEMBER 2023		
BANK RATING	Exposure at default	Average PD	Average LGD	Exposure at default	Average PD	Average LGD
Grades A+ -AAA: Extremely Low Risk	-	0%	-	312,602	0%	75%
Grades BBB- A: Very Low risk	10,815,887	0.1%	-	8,538,824	0.1%	73%
Grades B--BB+: Low risk	635,737,498	4.2%	-	337,080,593	4.1%	75%
Grades CC+-CCC+: Acceptable Risk	179,769,041	5.2%	-	160,228,390	5.2%	97%
Grades CC--CC: Moderately High Risk	697,764	11.1%	-	493,114	10.8%	80%

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).

FINANCIAL ASSETS AT AMORTISED COST	STAGE 1	STAGE 2	STAGE 3	YEAR ENDED 2024 TOTAL	YEAR ENDED 2023 TOTAL
	N'000	N'000	N'000	N'000	N'000
Grades A+ -AAA: Extremely Low Risk	-	-	-	-	-
Grades B--BB+: Low risk	290,154,977	-	-	290,154,977	194,158,818
Total gross carrying amount	290,154,977	-	-	290,154,977	194,158,818
		-	-		
Loss allowance	(459,706)	-	-	(459,706)	(1,626,518)
Carrying amount	**289,695,271**	-	-	**289,695,271**	**192,532,300**

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.

CREDIT RISK CONCENTRATION

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

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						31ST DECEMBER 2024
FIGURES IN THOUSANDS OF NAIRA	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
SECTOR						
Activities of Extra Territorial Organizations and Bodies	-	-	-	-	-	-
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	289,695,271	117,627,271	62,603	53,715,806	1,044,242,608
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	-	-	-	1,941,113	-	1,941,113
And Remediation Activities						
TOTAL	1,129,261,719	289,695,271	117,627,271	800,827,228	121,820,186	2,459,231,675


End Plastic
Pollution.
PLASTIC
WASTE
Refuse
single-use
plastics.


Branch Service Manager

CREDIT RISK CONCENTRATIONS BY INDUSTRY RELATING TO ON-BALANCE SHEET ITEMS						31ST DECEMBER 2024
FIGURES IN THOUSANDS OF NAIRA	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
SECTOR						
Activities of Extra Territorial Organizations and Bodies	-	-	-	-	-	-
Administrative and Support Service Activities	-	-	-	4,516,233	-	4,516,233
Agriculture	-	-	-	16,496,961	-	16,496,961
Arts, Entertainment and Recreation	-	-	-	441,407	-	441,407
Capital Market	-	-	75,893,164	-	-	75,893,164
Construction	-	-	-	12,645,949	-	12,645,949
Education	-	-	-	4,772,781	-	4,772,781
Finance and Insurance	138,832,088	-	-	37,645,825	27,357,331	203,835,244
General (others)	-	-	-	62,290,603	7,283,710	69,574,313
General Commerce	-	-	-	52,160,294	-	52,160,294
Government	499,870,965	192,532,300	-	348,890	72,028,868	764,781,023
Human Health and Social Work	-	-	-	570,633	-	570,633
Information and Communication	-	-	-	6,779,142	-	6,779,142
Manufacturing	-	-	-	65,193,979	-	65,193,979
Mining and Quarrying	-	-	-	54,004	-	54,004
Oil and Gas	-	-	-	90,634,287	-	90,634,287
Power and Energy	-	-	-	9,618,688	-	9,618,688
Professional, Scientific and Technical Activities	-	-	-	14,127,066	-	14,127,066
Public Utilities	-	-	-	-	-	-
Real Estate	-	-	-	90,766,587	-	90,766,587
Transportation and Storage	-	-	-	23,363,257	-	23,363,257
Water Supply; Sewerage, Waste Management	-	-	-	1,762,176	-	1,762,176
And Remediation Activities						
TOTAL	638,703,053	192,532,300	75,893,164	494,188,761	106,669,909	1,507,987,187

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 2024;

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

IN 2023;

- 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.

		31 DECEMBER 2024		
Figures in thousands of naira		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)

		31 DECEMBER 2024		
Figures in thousands of naira		PRIME LENDING RATE		
		+10%	Constant	-10%
CRUDE OIL PRICE	+10%	638,167	(177,171)	(992,508)
	Constant	815,337	-	(815,337)
	-10%	992,508	177,171	(638,167)

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:

	31 DECEMBER 2024	31 DECEMBER 2023
Figures in thousands of naira		
Repossessed property	2,355,000	2,030,000

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 2024	GROSS AMOUNT	COLLATERAL
Figures in thousands of Naira		
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**

31 DECEMBER 2023	GROSS AMOUNT	COLLATERAL
Figures in thousands of Naira		
Against 12 months ECL	403,374,619	945,230,278
Against Lifetime ECL not credit-impaired	91,844,309	155,616,350
Against Lifetime ECL credit-impaired	11,434,595	45,202,553
Total	**506,653,523**	**1,146,049,181**

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

31 DECEMBER 2024	GROSS AMOUNT	COLLATERAL
Figures in thousands of Naira		
Against Lifetime ECL credit-impaired		
Property	179,416,210	428,805,662
Cash	133,683,115	155,301,275
Others	312,245,363	582,023,061
Total	**625,344,688**	**1,166,129,998**
31 DECEMBER 2024	**GROSS AMOUNT**	**COLLATERAL**
Figures in thousands of Naira		
Against Lifetime ECL not credit-impaired		
Property	47,418,183	85,271,907
Cash	9,635,698	21,770,000
Others	66,335,828	130,731,906
Total	**123,389,709**	**237,773,813**
31 DECEMBER 2024	**GROSS AMOUNT**	**COLLATERAL**
Figures in thousands of Naira		
Against Lifetime ECL credit-impaired		
Property	32,393,876	71,193,028
Cash	20,776,368	40,986,566
Others	25,115,549	92,959,597
Total	**78,285,793**	**205,139,191**
Grand Total	**827,020,190**	**1,609,043,002**

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	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Opening loss allowance as at 1 January	12,464,761	5,689,563	897,837	112,237
Increase in loss allowance recognised in profit or loss during the year	13,728,202	6,775,198	762	785,600
Closing loss allowance as at 31 December	26,192,963	12,464,761	898,599	897,837

	LOANS AND ADVANCES TO CUSTOMERS		FACTORED LOANS	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Opening loss allowance as at 1 January	1,626,518	828,875	398,698	361,044
Increase in loss allowance recognised in profit or loss during the year	(1,166,812)	797,643	192,851	37,654
Closing loss allowance as at 31 December	459,706	1,626,518	591,549	398,698

LIQUIDITY

LIQUIDITY RISK MEASUREMENT

The measure of the Bank's liquidity is the ratio of its liquid assets to total customer deposits.

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 minimun 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 2024	31 DECEMBER 2023
	%	%
At end of year	44	45
Average for the year	38	63
Maximum for the year	48	87
Minimum for the year	28	32
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:

- Cash and balances with the Central Bank and other financial institutions;
- Investment Securities-Government bonds and Treasury bills;
- Highly liquid instruments in the Bank's trading portfolio (FVTPL Financial Assets)

ASSET AND LIABILITY MIX	31 DECEMBER 2024		31 DECEMBER 2023	
Asset components	**% Proportion**	**N'000**	**% Proportion**	**N'000**
Cash and bank balances (note 16)	1%	19,427,908	0%	7,417,497
Due from other financial institutions (note 17)	9%	221,326,618	5%	69,319,378
Cash reserve balance with Central Bank of Nigeria (note 21)	23%	579,614,616	33%	496,902,084
Financial assets at fair value (note 18)	5%	117,627,272	5%	75,893,164
Loans and advances at amortised cost (note 19)	33%	827,020,190	33%	506,653,523
Other assets (note 22)	5%	125,621,772	7%	108,643,894
Financial assets at amortised cost (note20)	12%	290,154,977	13%	194,158,818
Placements (note 17)	12%	308,892,578	4%	65,064,094
Total	**100%**	**2,489,685,931**	**100%**	**1,524,052,452**

	31 DECEMBER 2024		31 DECEMBER 2023	
Liability Components	**% Proportion**	**N'000**	**% Proportion**	**N'000**
Current accounts (note 27)	56%	875,994,142	49%	551,999,014
Savings accounts (note 27)	10%	149,592,166	6%	65,825,496
Term deposits (note 27)	8%	128,363,632	31%	344,444,500
Domicilliary accounts (note 27)	27%	420,521,536	14%	156,872,697
Total	**100%**	**1,574,471,476**	**100%**	**1,119,141,707**

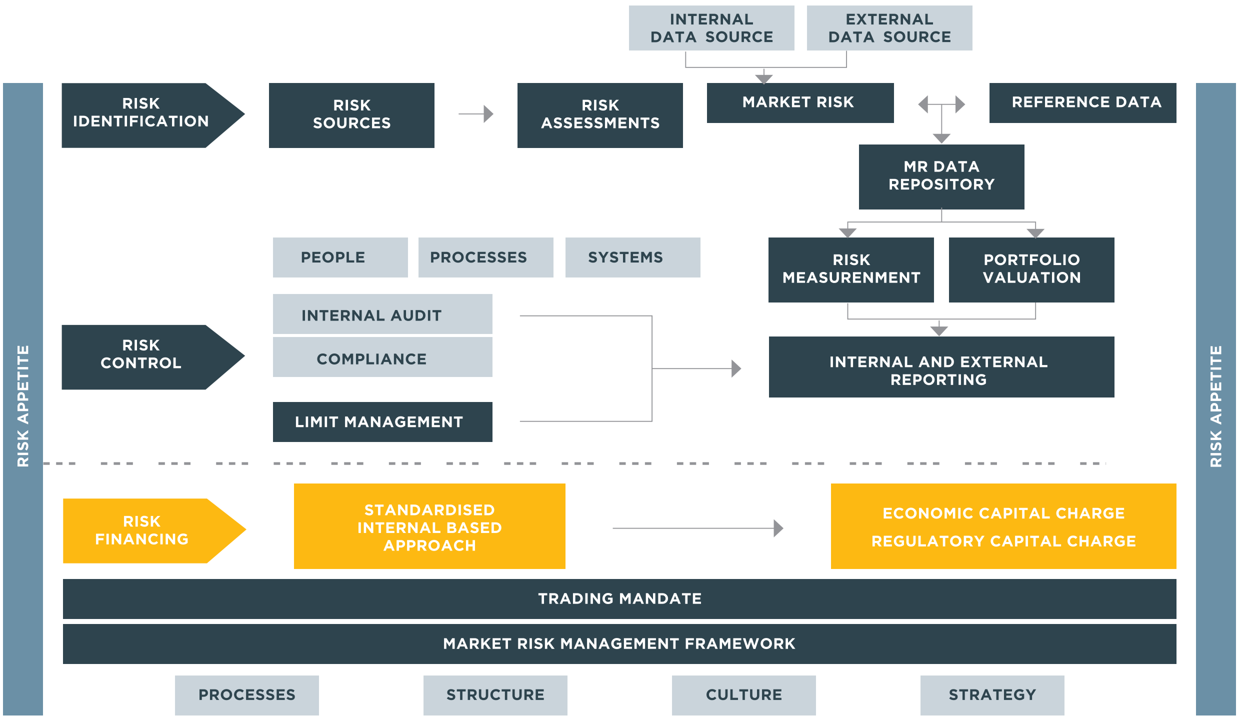
31 DECEMBER 2024	Carrying amount	Gross nominal inflow/ (outflow)	Less than 90 days	91 - 180 days	181 - 365 days	but less than 5 years	Over 5 years
Financial assets							
Cash and bank balances (note)	19,427,908	19,427,908	19,427,908	-	-	-	-
Due from other financial institutions (note)	530,219,196	532,243,729	454,195,779	3,047,950	25,500,000.00	-	49,500,000.00
Financial assets at fair value (note)	117,627,272	132,881,153	23,838,931	29,336,924	46,872,095	20,110,268	12,722,935
Other assets (note)	124,832,039	128,633,625	34,679,476	24,602,782	-	69,351,367	-
Loans and advances at amortised cost (note)	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)	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)	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
Financial liabilities							
Deposit from customers (note)	1,574,471,481	1,576,312,356	1,552,722,948	15,395,132	6,484,265	1,710,011	-
Borrowed funds (note)	619,531,263	639,993,358	517,936,321	36,864,349	82,744,244	2,448,444	-
Debt securities issued (note b)	15,789,907	19,362,500	387,250	-	387,250	2,323,500	16,264,500
Other liabilities* (note 30)	202,645,165	202,267,733	117,269,729	2,461,684	53,549,344	28,986,976	-
Lease liabilities (note)	348,674	583,913	-	-	220,000	168,663	195,250
Gap (asset - liabilities)	2,412,786,490	2,438,519,860	2,188,316,248	54,721,165	143,385,103	35,637,593	16,459,750
	76,109,707	413,685,339	(1,336,681,739)	99,066,578	110,169,223	1,169,755,883	371,375,395

31 DECEMBER 2024	Carrying amount	Gross nominal inflow/ (outflow)	Less than 90 days	91 - 180 days	181 - 365 days	but less than 5 years	Over 5 years
Financial assets							
Cash and bank balances (note 16)	7,417,497	7,417,497	7,417,497	-	-	-	-
Due from other financial (note 17)	134,383,472	134,866,052	129,861,737	5,004,315	-	-	-
Financial assets at FVTPL (note 18)	75,893,164	78,710,753	22,015,522	19,680,200	24,161,855	1,461,735	11,391,441
Other assets (note 22)	108,643,893	108,643,893	100,174,275	37,870	93,224	8,338,524	-
Loans and advances at amortised cost (note 19)	506,653,522	506,653,522	152,739,438	32,676,852	73,931,900	179,346,165	67,959,168
Financial assets at amortised cost (note 20)	192,532,300	199,502,008	65,947,875	39,936	52,893	48,889,932	84,571,372
Cash reserve balance with Central Bank of Nigeria (note)	496,902,084	496,902,084	-	-	-	496,902,084	-
	1,522,425,932	1,532,695,809	478,156,344	57,439,173	98,239,872	734,938,440	163,921,981
Financial liabilities							
Deposit from customers (note 27)	1,119,141,707	1,123,404,779	1,083,790,916	33,006,945	6,606,443	-	476
Borrowed funds (note 28)	181,976,497	183,630,167	177,414,783	686,307	5,529,077	-	-
Debt securities issued (note 30)	9,694,859	12,373,271	237,948	-	237,948	1,903,580	9,993,795
Other liabilities* (note 31)	161,825,471	161,825,471	58,785,748	13,537,545	47,009,435	42,492,744	-
Lease liabilities (note 32)	393,801	490,448	916	-	140,580.00	312,103.00	36,850.00
Gap (asset - liabilities)	1,473,032,335	1,481,724,136	1,320,230,311	47,230,797	59,523,483	44,708,427	10,031,121
	49,393,597	50,971,673	(842,073,967)	10,208,376	38,716,389	690,230,013	153,890,860

*Other liabilities exclude witholding 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 implements and sustains 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:

Figures in thousands of Naira	2024			2023		
AS AT 31 DECEMBER	Banking book N'000	Trading book N'000	Total N'000	Banking book N'000	Trading book N'000	Total N'000
Cash and bank balances	19,427,908	-	19,427,908.00	7,417,497	-	7,417,497
Due from other financial institutions	530,219,196	-	530,219,196	134,383,472	-	134,383,472
Financial assets at fair value	117,627,272	-	117,627,272	75,893,164	-	75,893,164
Loans and advances at amortised cost	827,020,190	-	827,020,190	506,653,523	-	506,653,523
Financial assets at amortised cost	290,154,977	-	290,154,977	194,158,818	-	194,158,818
Cash reserve balance with Central Bank of Nigeria	579,614,616	-	579,614,616	496,902,084	-	496,902,084
Other assets	140,687,533	-	140,687,533	130,939,572	-	130,939,572
Investment properties	-	-	-	3,264,527	-	3,264,527
Property and equipment	74,884,985	-	74,884,985	31,362,195	-	31,362,195
Right of use assets	612,737	-	612,737	560,616	-	560,616
Intangible assets	2,359,554	-	2,359,554	2,118,912	-	2,118,912
Deferred tax assets	6,283,440	-	6,283,440	6,283,440	-	6,283,440
Total assets	**2,588,892,408**	-	**2,588,892,408**	**1,589,937,820**	-	**1,589,937,820**
Deposits from customers	1,574,471,476			1,119,141,707		1,119,141,707
Debt securities issued	15,789,907			9,694,859		9,694,859
Borrowings funds	619,511,605			181,976,497		181,976,497
Current tax liability	7,975,223			1,340,234		1,340,234
Other liabilities	205,120,326			163,315,824		163,315,824
Lease liabilities	348,674			393,801		393,801
Deferred tax liability	3,724,305			3,724,305		3,724,305
Total liabilities	**2,426,941,516**			**1,479,587,227**		**1,479,587,227**

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.

Net interest income sensitivity (AEaR)	PBT increase Naira	PBT decrease Naira
Figures in thousands		
As at 31 December 2024	954,641	(954,641)
+25bps		
-25bps		
As at 31 December 2023	719,643	(719,643)
+25bps		
-25bps		

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:

Figures in thousands						
AS AT 31 DECEMBER 2024	**Total**	**NAIRA**	**USD**	**GBP**	**EURO**	**CHY**
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	579,614,616	579,614,616	-	-	-	-
Other financial assets (note)	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 27)	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* (note 31)	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

Figures in thousands						
AS AT 31 DECEMBER 2023	**Total**	**NAIRA**	**USD**	**GBP**	**EURO**	**CHY**
Financial assets						
Cash and bank balances (note 16)	7,417,497	3,934,799	2,773,258	423,110	286,330	-
Due from other financial institutions (note17)	134,383,472	38,342,102	90,718,434	3,899,705	650,871	772,360
Financial assets at fair value (note 18)	75,893,164	75,437,586	455,578	-	-	-
Loans and advances at amortised cost (note 19)	506,653,523	454,203,347	51,868,813	581,360	2	-
Financial assets at amortised cost (note 20)	194,158,818	178,702,641	15,456,177	-	-	-
Cash reserve balance with Central Bank	496,902,084	496,902,084	455,578	-	-	-
Other financial assets (note)	108,643,894	103,948,520	95,179	4,600,194	-	-
	1,524,052,452	1,351,471,079	161,823,017	9,504,369	937,203	772,360
Financial liabilities						
Deposit from customers (note 27)	1,119,141,707	888,754,230	226,725,952	2,914,874	746,651	-
Borrowed funds (note 28)	181,976,497	181,976,497	-	-	-	-
Debt securities issued (note 30)	9,694,859	-	9,694,859	-	-	-
Other liabilities* (note 31)	161,825,470	104,302,169	57,109,634	51,974	319,954	41,742
Lease liabilities (note 32)	393,801	393,801	-	-	-	-
	1,473,032,334	1,175,426,698	293,530,444	2,966,847	1,066,605	41,742

Sensitivity of foreign exchange currencies and impact on profit and equity
At 31 December 2024, 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.

	31 DECEMBER 2024	31 DECEMBER 2023
Figures in thousands		
Dollar		
Naira strengthens by 50% (2023: 50%) - decrease in profit and equity	(10,802)	(15,583)
Naira weakens by 50% (2023: 50%) - increase in profit and equity	10,802	15,583
GBP		
Naira strengthens by 30% (2023: 50%) - decrease in profit and equity	(6,639)	(8,482)
Naira weakens by 30% (2023: 50%) - increase in profit and equity	6,639	8,482
Euro		
Naira strengthens by 20% (2023: 50%) - decrease in profit and equity	(3,017)	(7,046)
Naira weakens by 20% (2023: 50%) - increase in profit and equity	3,017	7,046

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 2024			
In thousands of Naira	CARRYING AMOUNT	RATE SENSITIVITY	NON RATE SENSITIVITY
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)	117,627,272	117,627,272	-
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	-
-Overdraft (note 19)	180,695,460	180,695,460	-
	2,489,685,931	1,259,384,184	1,230,301,747
LIABILITIES:			
Deposit from customers (note)	1,574,471,476	1,042,927,544	1,042,927,544
Debt securities issued (note)	15,789,907	-	-
Borrowed funds (note)	619,511,605	(19,659)	(19,659)
Other liabilities (note)	202,645,165	201,421,494	201,421,494
	2,412,418,153	1,244,329,379	1,244,329,379
INTEREST REPRICING GAP	77,267,778	(14,027,632)	(14,027,632)

AT 31 DECEMBER 2024						
In thousands of naira	UP TO 1 MONTH	MORE THAN 1 MONTH - LESS THAN 3 MONTHS	MORE THAN 3 MONTHS - LESS THAN 6 MONTHS	MORE THAN 6 MONTHS - LESS THAN 12 MONTHS	OVER 1 YEAR	TOTAL 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	117,627,272
Other financial assets at amortised cost	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	1,259,384,185
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	190,982,382	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	91,295,411

AT 31 DECEMBER 2023			
In thousands of Naira	CARRYING AMOUNT	RATE SENSITIVITY	NON RATE SENSITIVITY
ASSETS:			
Cash and bank balances (note 16)	7,417,497	-	7,417,497
Due from other financial institutions (note17)	134,383,472	-	134,383,472
Financial assets at fair value (note 18)	75,893,164	75,893,164	-
Other financial assets at amortised cost (note 20)	194,158,818	-	194,158,818
Cash reserve balance with Central Bank of Nigeria (note 21)	496,902,084	-	496,902,084
Other financial assets (note 22)	108,643,894	66,770,344	41,873,550
Loans and advances at amortised cost:	-	-	-
-Term loans (note 19)	418,149,164	- 418,149,164	-
-Overdraft (note 19)	88,504,359	88,504,359	-
	1,524,052,451	649,317,030	874,735,421
LIABILITIES:			
Deposit from customers (note 27)	1,119,141,707	418,440,976	700,700,731
Debt securities issued (note 30)	9,694,859	9,694,859	-
Borrowed funds (note 28)	181,976,497	181,934,921	41,577
Other liabilities (note 31)	161,825,470	32,228,454	129,597,018
	1,472,638,533	642,299,210	830,339,326
INTEREST REPRICING GAP	51,413,918	7,017,820	44,396,095

AT 31 DECEMBER 2024						
In thousands of naira	UP TO 1 MONTH	MORE THAN 1 MONTH - LESS THAN 3 MONTHS	MORE THAN 3 MONTHS - LESS THAN 6 MONTHS	MORE THAN 6 MONTHS - LESS THAN 12 MONTHS	OVER 1 YEAR	TOTAL RATE SENSITIVE
ASSETS:						
Financial assets at fair value (note 18)	75,893,164	-	-	-	-	75,893,164
Other financial assets at amortised cost	4,999,193	60,553,018	1,218,133	-	-	66,770,344
Other financial assets (note 22)	62,417,220	88,328,071	32,860,971	74,348,473	248,698,787	506,653,522
Loans and advances at amortised cost (note 19)	143,309,577	148,881,089	34,079,104	74,348,473	248,698,787	649,317,030
LIABILITIES:						
Deposit from customers (note 27)	261,243,094	118,245,181	32,111,208	6,348,040	-	417,947,523
Debt securities issued (note 30)	-	-	-	-	9,694,859	9,694,859
Borrowed funds (note 28)	152,114,755	29,021,633	480,023	318,510	-	181,934,921
Other liabilities (note 31)	-	31,133,068	-	-	1,095,386	32,228,454
	413,357,849	147,266,814	32,591,231	6,666,550	9,694,859	609,577,303
INTEREST REPRICING GAP	(270,048,272)	1,614,276	1,487,873	67,681,923	239,003,928	39,739,727

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 2024	31 DECEMBER 2023
Figures in thousands of naira		
Effect of 100 basis points movement on profit before tax		
Upward movement	912,954	70,178
Downward movement	(912,954)	(70,178)

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 secondary market 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 Quoted market prices	Level 2 Observable inputs	Level 3 Significant unobservable inputs	Total
Figure in thousands of naira				
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
As at 31 December 2023				
Financial Assets at fair value (note 18)	64,947,439	10,945,724	-	75,893,163
Total assets	64,947,439	10,945,724	-	75,893,163

There were no financial liabilities held at fair value as at 31 December 2024 (2023: nil) There were no transfers between levels during the year (2023: nil)

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	-0
Debt instrument issued (note 30)	15,789,907	-	-	15,789,907	15,789,907
Borrowed funds (note 28)	619,531,263	-	-	619,531,263	619,531,263
Other liabilities (note 31)	205,120,326	-	-	205,120,326	205,120,326
	2,414,912,976	-	-	2,414,912,976	840,441,495

31 DECEMBER 2023	CARRYING AMOUNT	FAIR VALUE LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS					
Cash and bank balances (note 16)	7,417,497	-	-	7,417,498	7,417,498
Due from other financial institutions (note 17)	134,383,472	-	-	134,383,472	134,383,472
Balances with CBN excluding mandatory reserve deposit (note 21)	496,902,084	-	-	496,902,084	496,902,084
Loans and advances at amortised cost (note 19)	506,653,523	-	-	506,653,522	506,653,522
Financial assets at amortised cost (note 20)	194,158,818	137,547,794	35,119,756	-	172,667,551
Other financial assets (note 22)	108,643,894	-	-	108,643,893	108,643,893
	1,448,159,288	137,547,794	35,119,756	1,254,000,469	1,426,668,020
FINANCIAL LIABILITIES					
Deposits from customers (note 27)	1,119,141,707	-	-	1,119,141,707	1,119,141,707
Debt instrument issued (note 30)	9,694,859	-	-	11,049,708	11,049,708
Borrowed funds (note 28)	181,976,497	-	-	182,478,779	182,478,779
Other liabilities (note 31)	161,825,470	-	-	161,825,470	161,825,470
	1,472,638,533	-	-	1,474,495,664	1,474,495,664

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:

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.

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:

AT 31 DECEMBER 2024			
Figure in thousands of Naira	FAIR VALUE THROUGH PROFIT OR LOSS	RATE SENSITIVITY	NON RATE SENSITIVITY
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

AT 31 DECEMBER 2023			
Figure in thousands of Naira	FAIR VALUE THROUGH PROFIT OR LOSS	RATE SENSITIVITY	NON RATE SENSITIVITY
FINANCIAL ASSETS:			
Cash and bank balances	-	7,417,497	7,417,497
Due from other financial institutions	-	134,383,472	134,383,472
Cash reserve balance with Central Bank of Nigeria	-	496,902,084	496,902,084
Financial assets at fair value	75,893,164	-	75,893,164
Financial assets at amortised cost	-	194,158,818	194,158,818
Other financial assets	-	108,643,894	108,643,894
Loans and advances at amortised cost	-	506,653,523	506,653,523
	75,893,164	1,448,159,288	1,524,052,452
FINANCIAL LIABILITIES			
Deposits from customers	-	1,119,141,707	1,119,141,707
Debt instrument issued	-	9,694,859	9,694,859
Borrowed funds	-	181,976,497	181,976,497
Lease liabilities	-	393,801	393,801
Other liabilities	-	161,825,470	161,825,470
	-	1,473,032,334	1,473,032,334

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'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:

	31 DECEMBER 2024	31 DECEMBER 2023
Figure in thousands of Naira		
TIER 1 CAPITA		
Share capital	19,560,060	19,560,060
Share premium	21,562,674	21,562,674
Statutory reserves*	39,613,209	26,398,351
Deposit for shares	9,400,000	-
Retained earnings	39,441,010	17,388,742
Total qualifying for tier 1 capital	129,576,954	84,909,827
Less regulatory deductions		
Intangible assets	(2,359,554)	(2,118,912)
Deferred tax asset	(2,559,135)	(2,559,135)
Adjusted Total qualifying Tier 1 capital	124,658,265	80,231,780
TIER 2 CAPITA		
Other Qualifying Capital	15,789,907	9,694,859
Fair value reserves	2,366,289	-
Adjusted Total qualifying Tier 2 capital	18,156,196	9,694,859
Total regulatory capital	142,814,461	89,926,639

** Statutory reserve comprises of SMEEIS reserve, AGSMEIS reserve and statutory reserve.*

	31 DECEMBER 2024	31 DECEMBER 2023
Figure in thousands of Naira		
Risk weighted amount for credit risk	756,958,035	320,235,924
Risk weighted amount for operational risk	121,625,017	71,549,404
Risk weighted amount for market risk	5,351,607	7,562,581
Total risk-weighted assets	883,934,660	399,347,909
CAPITAL RATIOS		
Total regulatory capital expressed as a percentage of total risk-weighted assets	16.16%	22.52%
Total tier 1 capital expressed as a percentage of risk-weighted assets	14.10%	20.09%

3.10 Operational Risk

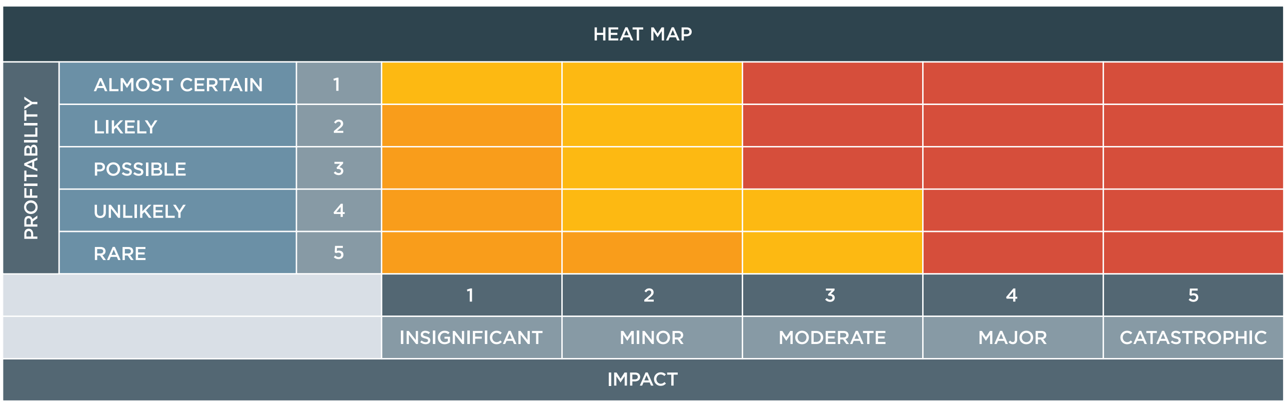
Providus Bank defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Our operational risk processes capture the following major types of losses:

- 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 it's 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 crystalising 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:

- 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:
    - 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.
    - 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.
- 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	31 DECEMBER 2024	31 DECEMBER 2023
In thousands of Naira		
Loans and advances:		
-Lost	9,983,700	10,112,051
-Doubtful	12,665,070	5,316,223
-Substandard	1,649,233	2,672,736
-Watchlist	2,432,019	2,834,900
-Performing	13,326,444	6,405,829
Other financial assets*	1,887,943	471,709
(A)	41,944,409	27,813,448
Impairment assessment under IFRS		
Loans and advances		
12-months ECL credit	9,272,994	4,995,193
Life-time ECL not impaired	6,359,176	3,216,650
Life- time ECL credit impaired	10,560,793	4,252,919
	26,192,963	12,464,762
Investment securities- 12 months ECL	4,738,805	1,626,518
Other financial assets- ECL allowance	3,801,586	1,973,984
Off Balance Sheet Exposures- 12 months ECL	591,549	398,698
(B)	35,324,903	16,463,962
Required Amount in Risk Reserve : (D) = (A) - (B)	6,619,506	11,349,487
Amount in Regulatory Risk Reserve1 SOCIE – (Note 34.4a)	11,349,487	4,380,135
Reversal from retained earnings at year end	(4,729,981)	6,969,352

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

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
5 INTEREST INCOME		
Cash and bank balances	91,408,220	4,997,592
Loans and advances to customers:		
-Term loans	42,526,308	50,275,122
-Overdraft	34,781,073	23,365,514
Other financial assets at amortised cost		
Interest income	188,025,058	14,763,333
	188,025,058	93,401,561
Geographical location	188,025,058	93,401,561
Interest income earned in Nigeria	188,025,058	93,401,561

6 INTEREST EXPENSE		
Deposits from customers	65,373,019	35,241,292
Debt securities issued	801,133	344,657
Borrowed funds	69,692,970	18,987,498
Lease liabilities	81,623	58,933
Trade related obligations*	1,251,225	455,383
	137,199,970	55,087,763

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

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
7 IMPAIRMENT ON FINANCIAL ASSETS		
Impairment charge on loans and advances to customers (note 19.1)	13,728,202	6,775,198
Impairment charge on other asset (note 22.1)	1,827,602	785,600
Impairment (write-back)/charge on financial assets at amortised cost (note 20.1)	(1,166,812)	797,643
Impairment charge on financial assets at FVOCI (note 34.5)	4,279,099	-
Impairment charge on off balance sheet items (note 31)	192,852	37,654
	18,860,943	**8,396,095**
8 FEE AND COMMISSION INCOME		
Fee and commission income from providing financial services at a point in time:		
Credit related fees	6,636,870	2,282,580
Account maintenance charge	6,058,288	2,858,702
Non-digital banking services	9,112,866	3,922,113
Digital banking services	7,671,823	5,727,522
Other fees and commission income	11,391	5,265
Total revenue from contracts with customers	**29,491,238**	**14,796,182**
9 FEE AND COMMISSION EXPENSE		
Bank charges	1,297,168	647,302
Other fees and commission expense	690,623	607,968
	1,987,791	**1,255,270**
10 NET TRADING GAINS		
Fair value gain on bonds at FVTPL	5,869,631	1,003,711
Fair value gain on investment securities at FVTPL	15,438,555	5,720,396
Fair value gain on treasury bills at FVTPL	**21,308,186**	6,724,294
11 OTHER INCOME		
Non-operating income		
Gain on disposal of property and equipment	16,069	6,473
	16,069	6,473
Operating income		
Foreign exchange gain	30,131,785	32,190,834
Other income	182,209	229,430
	30,313,994	32,420,264
	30,330,063	**32,426,737**
12 PERSONNEL EXPENSES		
Wages and salaries	16,797,476	10,313,291
Contributions to defined contribution plans	395,694	240,028
	17,193,170	**10,553,319**

12.1 EMPLOYEES, OTHER THAN DIRECTORS, RECEIVED REMUNERATION IN THE FOLLOWING RANGES:	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
N900,001 - N3,990,000	375	315
N3,900,001 - N10,990,000	470	523
N10,990,001 - N30,990,000	513	256
N30,990,001 - N40,910,000	29	13
N40,910,001 - N50,910,000	20	6
N50,910,001 - N60,910,000	-	8
N60,910,001 - N70,910,000	7	4
N70,910,001 - N80,910,000	4	-
N80,910,001 - N90,910,000	-	3
N90,910,001 - N110,910,000	6	-
N110,910,001 - N200,910,000	1	2
N200,910,001 - N300,910,000	2	1
	1,427	1,131
The number of persons other than directors, in employment at the bank as at the year comprise:		
Managerial	148	116
Other staff	1,279	1,015
	1,427	1,131

13 OTHER OPERATING EXPENSES		
Advertising and business promotion	2,189,341	1,485,473
Loyalty rewards paid to customers	12,573,080	6,480,287
Transport, travel, accommodation	1,521,563	2,179,394
Human capital related expenses	916,885	389,623
Insurance costs	530,575	266,341
Legal fees	337,406	194,415
Professional fees	1,610,163	856,126
NDIC insurance premium	4,652,616	1,990,825
Repairs and maintenance	1,223,539	6,371
Motor vehicle repairs cost	282,782	823,980
Stationery and printing	896,018	268,057
Contract staff expenses	2,728,051	1,354,487
Contract services	418,581	239,756
Staff training cost	745,080	338,466
Charities and donations	2,026,721	754,038
Directors' related expenses	1,798,140	352,775
Office expenses	1,642,756	906,949
Short term leases*	78,402	49,952
Occupancy cost- Rates	696,336	509,883
Auditors remuneration	120,000	114,300
ICT Expense	4,708,154	1,822,556
Bank and Swift Charges	2,297,106	1,582,880
POS acquirer expense	798,408	362,596
Penalties for non-compliance with bankingnote 38	474,750	38,500
Corporate Social Responsibility	43,285	1,750
AGM Expenses	7,005	5,275
Administrative expenses**	296,707	2,385,323
	45,613,450	25,760,378

*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.

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
14 DEPRECIATION AND AMORTISATION		
Depreciation of property and equipment (note 24)	6,472,315	3,302,422
Depreciation right-of-use-asset (note 25)	225,605	156,321
Amortisation of intangible assets (note 26)	982,358	766,918
	7,680,278	4,225,661

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 2024 N'000	31 DECEMBER 2023 N'000
Profit attributable to equity holders N'000	35,403,435	43,546,417
Number of ordinary shares in issue as at year end	39,120,119	39,120,119
Time weighted average number of ordinary shares	39,120,119	37,578,453
Earnings per share (kobo)	90	116

16 CASH AND BANK BALANCES		
Cash in vault	15,900,867	4,448,616
Unrestricted balances with central bank	3,527,041	2,968,881
	19,427,908	7,417,497

The cash and bank balances are assessed to be in stage 1, however the identified impairment loss is considered immaterial and has not been recognised

16.1 CASH AND CASH EQUIVALENTS IN STATEMENTS OF CASHFLOWS INCLUDE:		
Cash in vault	15,900,867	4,448,617
Unrestricted balances with central bank	3,527,041	2,968,881
Balances held with other banks	221,326,618	69,319,378
Money market placements	308,892,578	65,064,094
	549,647,104	141,800,970

17 DUE FROM OTHER FINANCIAL INSTITUTIONS		
Balances held with other banks	221,326,618	69,319,378
Money market placements	308,892,578	65,064,094
	530,219,196	134,383,472
Impairment on placements	-	-
	530,219,196	134,383,472

All balances are assessed to be in stage 1, as such impairment charge are assessed to be immaterial and has not been recognised.

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
18 FINANCIAL ASSETS AT FAIR VALUE		
Gross Amount		
Treasury bills at fair value	74,136,442	63,252,560
Bonds at fair value	32,597,466	12,640,604
Promissory note at fair value	10,893,363	-
Total Gross Amount	117,627,271	75,893,164
Movement of Financial assets at fair value		
Opening balance	75,893,164	-
Additions to Treasury bills at fair value	84,320,398	63,252,560
Additions to Bonds at fair value	32,778,314	12,640,604
Additions to Promissory notes at fair value	11,700,000	-
Disposal of Treasury bills at fair value	(65,839,503)	-
Disposal of Bonds at fair value	(16,000,000)	-
Fair value loss	(5,225,101)	-
Closing Balance	117,627,272	75,893,164
Current	85,029,806	63,252,560
Non-current	32,597,466	12,640,604
	117,627,272	75,893,164

19 LOANS AND ADVANCES AT AMORTISED COST		
Term loans	646,324,730	418,149,164
Overdrafts	180,695,460	88,504,359
Gross loan	827,020,190	506,653,523
Impairment allowance: Term loans	(22,752,116)	(10,048,106)
Impairment allowance: Overdrafts	(3,440,847)	(2,416,655)
Total impairment	(26,192,963)	(12,464,761)
Net loans and advances to customers		
Term loans	623,572,614	408,101,058
Overdrafts	177,254,613	86,087,704
Carrying amount	800,827,227	494,188,762

19.1 MOVEMENT IN IMPAIRMENT ON LOANS AND ADVANCES		
Opening balance	12,464,761	5,689,563
Charge for the year	13,728,202	6,775,198
Closing balance	26,192,963	12,464,761
	433,615,462	253,392,652
Current	368,290,911	240,796,110
Non-current	800,827,227	494,188,762

19.2 LOAN LOSS ALLOWANCE RECONCILIATION FOR CURRENT PERIOD	STAGE 1	STAGE 2	STAGE 3	Total
	Figures in thousands of naira			
December 2024	N'000	N'000	N'000	N'000
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

19.3 LOAN LOSS ALLOWANCE RECONCILIATION FOR COMPARATIVE PERIOD:	STAGE 1	STAGE 2	STAGE 3	Total
	Figures in thousands of naira			
December 2023	N'000	N'000	N'000	N'000
Term loans	340,156,747	73,567,742	4,424,675	418,149,164
Overdrafts	63,217,872	18,276,567	7,009,920	88,504,359
Gross Loan	403,374,619	91,844,309	11,434,595	506,653,523
Impairment charge	(6,555,600)	(2,533,399)	(3,375,762)	(12,464,761)
Carrying amount	396,819,019	89,310,910	8,058,833	494,188,762
Impairment				
Opening balance	3,597,335	154,156	1,938,072	5,689,563
Movement in impairment	2,958,265	2,379,243	1,437,690	6,775,198
Closing balance	6,555,600	2,533,399	3,375,762	12,464,761

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
20 FINANCIAL ASSETS AT AMORTISED COST		
Treasury bills	79,208,016	65,552,211
FGN bonds	173,276,857	98,325,969
State bonds	5,417,000	6,742,820
Promissory note	27,857,430	23,537,818
Commercial papers	4,395,674	194,158,818
Gross investment securities	(459,706)	(1,626,518)
Total impairment charge on financial assets at amortised cost	289,695,271	192,532,300
Net financial assets at amortised cost	186,253,000	89,090,029
Non-current	103,442,271	103,442,271
Current	289,695,271	192,532,300

20.1 MOVEMENT IN IMPAIRMENT CHARGE	OPENING BALANCE N'000	2024 CHARGE N'000	CLOSING BALANCE N'000	OPENING BALANCE N'000	2023 CHARGE/ WRITEBACK N'000	CLOSING BALANCE N'000
Impairment charge on treasury bills	155,027	(117,523)	37,504	176,185	(21,158)	155,027
Impairment charge on FGN bonds	1,236,386	(865,578)	370,808	581,950	654,436	1,236,386
Impairment charge on State bonds	22,268	(5,678)	16,590	63,699	(41,431)	22,268
Impairment charge on commercial papers	-	8,472	8,472	-	-	-
Impairment charge on promissory notes	212,837	(186,505)	26,332	7,041	205,796	212,837
Total impairment charge on investment securities	1,626,518	(1,166,812)	459,706	828,875	797,643	1,626,518

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
21 CASH RESERVE BALANCE WITH CENTRAL BANK OF NIGERIA		
Balances with CBN	579,614,616	496,902,084
Non-current	579,614,616	496,902,084

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.

DESCRIPTION	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
22 OTHER ASSETS		
Non-financial assets		
Prepayments	6,036,408	4,522,272
Prepaid employee benefits	8,588,423	2,269,664
Repossessed assets	2,355,000	2,030,000
Currency position	646	1,384
Other accounts receivable	1,886,870	15,446,342
	18,867,347	24,269,662
Financial assets		
Factored Loan	898,699	898,699
Settlement balances with NEFT	11,363,252	7,711,373
LC Settlement receivable	24,602,782	212,776
Other receivables*	818,478	268,007
Other financial assets**	86,830,844	98,445,322
Contribution to AGSMEIS*	1,107,717	1,107,717
	125,621,772	108,643,894
Impairment allowance on other assets****	(3,801,586)	(1,973,984)
	121,820,186	106,669,910
Total other assets	140,687,533	130,939,572
Current	130,021,944	120,273,983
Non-current	10,665,589	10,665,589
	140,687,533	130,939,572

*Other receivables includes loan and advances that have been fully provided for which are pending board approval for write-off.
**Other financial assets includes receivables from third parties.
***Contribution to AGSMEISE is maintained to support the Federal Government's effort at promoting Agricultural businesses and Small and Medium Enterprises. Effective 2017 all Deposit Money Banks (DMBs) are required to set aside 5% of their Profit After Tax for equity investment in permissible activities as stipulated in the scheme guidelines. The fund is domiciled with CBN.

	Factored loans	Other receivables	Other financial assets	Total	Factored loans	Other receivables	Other financial assets	Total
22.1 MOVEMENT IN IMPAIRMENT OF OTHER ASSETS	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	897,937	268,007	808,040	1,973,984	112,337	268,783	230,040	611,160
Charge to profit or loss (note 12)	762	550,471	1,276,369	1,827,602	785,600	268,007	578,000	1,631,607
Reclassification of impairment (note 19.1)	-	-	-	-	-	(268,783)	-	(268,783)
Closing balance	898,699	818,478	2,084,409	3,801,586	897,937	268,007	808,040	1,973,984

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
23 INVESTMENT PROPERTIES		
Opening balance	3,264,527	3,264,527
Disposal during the year	-	-
Revaluation gain	-	-
Transfer from investment properties	(3,264,527)	-
		3,264,527
Non-current		3,264,527

Investment property comprises 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, has been reclassified from Investment properties.

There was no rental income earned on investment property during the year. Also, no direct operating expenses were incured on the investment properties.

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
23.1 ASSETS CLASSIFIED AS HELD FOR SALE		
Opening balance	-	-
Disposal during the year	-	-
Revaluation gain	-	-
Transfer from investment properties	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.

	Factored loans	Other receivables	Other financial assets	Total	Factored loans	Other receivables	Other financial assets	Total
22.1 MOVEMENT IN IMPAIRMENT OF OTHER ASSETS	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Opening balance	897,937	268,007	808,040	1,973,984	112,337	268,783	230,040	611,160
Charge to profit or loss (note 12)	762	550,471	1,276,369	1,827,602	785,600	268,007	578,000	1,631,607
Reclassification of impairment (note 19.1)	-	-	-	-	-	(268,783)	-	(268,783)
Closing balance	898,699	818,478	2,084,409	3,801,586	897,937	268,007	808,040	1,973,984

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
23 INVESTMENT PROPERTIES		
Opening balance	3,264,527	3,264,527
Disposal during the year	-	-
Revaluation gain	-	-
Transfer from investment properties	(3,264,527)	-
	-	3,264,527
Non-current	-	3,264,527

Investment property comprises 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, has been reclassified from Investment properties.

There was no rental income earned on investment property during the year. Also, no direct operating expenses were incured on the investment properties.

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
23.1 ASSETS CLASSIFIED AS HELD FOR SALE		
Opening balance	-	-
Additions during the year	-	-
Disposal during the year	-	-
Transfer to assets held for sale	3,264,527	-
	3,264,527	-
Non-current	3,264,527	-

24 PROPERTY AND EQUIPMENT	Leasehold land & buildings	Leasehold improvements	Plant & machinery	Furniture & fittings	Motor vehicles	Computer hardware	Work-in-progress	Total
	Figures in thousands of Naira							
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 from CWIP to PPE	-	215,843	214,905	103,467	-	90,000	(624,215)	-
Disposals	-	-	-	-	(150,710)	-	-	(150,710)
Writeoff	-	-	(5,250)	-	-	(6,800)	(20,638)	(32,688)
At 31 December 2024	16,950,319	11,441,205	10,184,074	4,348,065	14,643,615	6,583,693	26,929,519	91,080,492
Accumulated depreciation								
At 1 January 2024	71,210	1,759,846	2,506,935	998,854	2,896,652	1,645,658	-	9,879,155
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	26,929,519	74,884,985
Cost								
At 1 January 2023	973,874	7,200,814	3,568,389	1,232,513	3,744,290	2,426,497	9,601,613	28,747,990
Additions	-	366,373	1,459,065	1,117,595	3,339,640	423,379	5,911,865	12,617,917
Reclassification from CWIP to PPE	476,445	3,456,063	2,166,704	1,079,557	278,425	-	(7,457,194)	-
Reclassification to-intangibles	-	-	-	-	-	-	(18,813)	(18,813)
Disposals	-	-	-	-	(38,280)	-	-	(38,280)
Writeoff	-	-	-	-	-	-	(67,464)	(67,464)
At 31 December 2023	1,450,319	11,023,250	7,194,158	3,429,665	7,324,075	2,849,876	7,970,007	41,241,350
Accumulated depreciation								
At 1 January 2024	51,734	1,458,571	1,717,821	765,001	1,787,858	834,028	-	6,615,013
Charge for the year	19,476	301,275	789,114	233,853	1,147,074	811,630	-	3,302,422
Disposals	-	-	-	-	(38,280)	-	-	(38,280)
At 31 December 2023	71,210	1,759,846	2,506,935	998,854	2,896,652	1,645,658	-	9,879,155
Carrying value at 31 December 2024	1,379,109	9,263,404	4,687,223	2,430,811	4,427,423	1,204,218	7,970,007	31,362,195

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
NON-CURRENT	74,884,985	31,362,195

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
25 RIGHT OF USE ASSETS		
At January	1,014,566	817,441
Addition	277,726	197,125
At 31 December	1,292,292	1,014,566
Reconciliation to statement of cash flows		
Additions to right of use assets	158,186	197,125
Additions to lease liability	119,540	(21,277)
	277,726	175,848

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
25.1 DEPRECIATION CHARGE		
Accumulated depreciation at 1 January	453,950	297,629
Charge for the year	225,605	156,321
Accumulated depreciation at 31 December	679,555	453,950
Carrying amount	612,737	560,616
Non-current	612,737	560,616

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

26 INTANGIBLE ASSETS			
Figure in thousands of Naira	SOFTWARE	CAPITAL WORK IN	TOTAL
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	-	982,358
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

26.1 INTANGIBLE ASSETS			
Figure in thousands of Naira	SOFTWARE	CAPITAL WORK IN	TOTAL
Cost at 1 January 2023	5,005,430	105,091	5,110,521
Addition	542,111	-	542,111
Reclassification from capital work in progress (PPE)	18,813	-	18,813
Writeoff	-	(102,191)	(102,191)
	5,566,354	2,900	5,569,254
Amortisation			
Opening balance	2,683,424	-	2,683,424
Charge for the year	766,918	-	766,918
Total amortisation at 31 December	3,450,342	-	3,450,342
Carrying value of intangible assets	2,116,012	2,900	2,118,912
Non-current	2,116,012	2,900	2,118,912

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
27 DEPOSITS FROM CUSTOMERS		
Current accounts	875,994,142	551,999,014
Savings account	149,592,166	65,825,496
Term deposits	128,363,632	344,444,500
Domiciliary accounts	420,521,536	156,872,697
	1,574,471,476	1,119,141,707
Current	1,572,904,404	1,119,141,231
Non-current	1,567,072476	476
	1,574,471,476	1,119,141,707
28 BORROWED FUNDS		
Individual*	68,779,548	10,874,473
On lending facilities**	16,875,057	10,123,288
Non-Individual*	533,857,000	160,978,736
	619,511,605	181,976,497
Non-current	1,803,551	41,576
Current	617,727,712	181,934,921
	619,531,263	181,976,497
28.1 MOVEMENT IN BORROWED FUNDS		
Opening balance	181,976,497	46,371,208
Additions	612,365,347	215,317,240
Repayments	(174,830,239)	(79,711,951)
	619,511,605	181,976,497

*Individual and Non-individual borrowing relate to fixed term deposits from customers, high interest bearing product as at 31 December 2024
N602.6b (2023: N171.9b).

**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 2024 and 31 December 2023.

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
29 TAXATION		
a Income Tax Credit		
Company income tax	1,846,524	415,248
Tertiary education tax	554,012	124,575
Information technology tax	417,868	420,703
Nigerian police trust fund levy	2,089	2,104
NASENI levy	104,467	105,176
Windfall levy	4,656,837	-
Current income tax	7,581,797	1,067,806
Deferred tax credit for the year	-	(2,543,935)
Income tax credit	7,581,797	(1,476,129)
b Current tax liability		
At 1 January	1,340,234	726,489
Payment during the year	(946,808)	(454,061)
Income tax charge for the year	7,581,797	1,067,806
	7,975,223	1,340,234
c Reconciliation of effective tax rate		
Profit before income tax	40,618,943	42,070,288
Tax calculated at the company income tax rate of 30% (2023: 30%)	12,185,683	12,621,086
Tax effect of adjustments on taxable income:		
Non-deductible expenses	6,849,486	3,367,596
Tax exempt income	(13,613,741)	(14,683,569)
Information technology levy	417,868	420,703
Tertiary education tax	554,012	124,575
Police trust fund levy	2,089	2,104
Windfall levy	4,656,837	-
NASENI Levy	104,467	105,176
Deferred tax credit	-	(2,543,935)
Effect of tax loss brought forward	(3,574,905)	(889,865)
Total tax credit	7,581,797	(1,476,129)

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
30 DEBT SECURITIES ISSUED		
Eurobond debt securities	15,789,907	9,694,859
Non-Current Debt Securities	15,789,907	9,694,859
	15,789,907	9,694,859
Movement in Debt securities issued:		
Net debt as at 1 January	15,789,907	9,694,859
Debt securities issued	9,694,859	4,609,162
Total changes from financing cash flows	9,694,859	4,609,162
The effect of changes in foreign exchange rates	6,107,140	5,216,935
Interest expense	801,133	344,657
Interest paid	(813,225)	(475,895)
Balance as at 31 December	15,789,907	9,694,859

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
31 OTHER LIABILITIES		
Non-financial liabilities		
Withholding tax	1,883,612	1,091,656
ECL provision on off balance sheet items*	591,549	398,698
	2,475,161	1,490,354
Financial liabilities		
Account payable	1,257,686	1,057,542
Settlement balances with payment switches	45,407,058	34,623,385
Accrued expenses	1,172,618	911,757
Liability for defined contribution plan	77,221	53,329
Unclaimed fund	1,267,862	1,086,117
Deferred income from financial guarantee contracts	325,404	-
Other sundry liabilities**	99,386,910	68,370,895
Trade related obligations from foreign banks	1,223,671	11,658,341
Customers' deposit for Retail FX bids	50,641,456	42,977,034
Manager's cheque	1,885,279	1,087,070
	202,645,165	161,825,470
Total other liabilities	205,120,326	163,315,824
Current	176,133,349	120,823,078
Non-current	28,986,977	42,492,746
	205,120,326	163,315,824

*Movement in the ECL provision of ₦192.9m (2023: N37.7m) on off balance sheet items has been recognised as an expense (note 7).

**Included in other sundry liabilities are collateral for FGN bond of N26.4 billion (2023: N39 billion) and Bank of Industry intervention fund of N3 billion (2023:N3.7 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 2024 N'000	31 DECEMBER 2023 N'000
Opening balance	53,329	38,033
Charge to profit or loss	395,694	240,028
Contributions remitted (PFAs/trustees)	(371,802)	(224,732)
Current	77,221	53,329
	77,221	53,329

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
32 LEASE LIABILITY		
At 1 January	393,801	385,298
Additions during the year	119,540	21,277
Interest expense for the period	81,623	58,933
Payment during the year	(246,290)	(71,707)
	348,674	393,801
Current	124,031	
Non-current	224,643	6,795
	348,674	387,006
(a) Amounts recognised in profit or loss		393,801
Interest on lease liabilities	81,623	58,933
Expenses relating to short-term leases	78,402	49,952
Depreciation on right of use assets	225,605	156,321
	385,630	265,206
(b) Amounts recognised in statement of cash flows		71,707
Total cash outflow for leases	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 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
	Figure in thousands of Naira						
Lease liability				220,000	168,663	195,250	583,913
Lease liability		916		140,580	312,103	36,850	490,449

	31 DECEMBER 2024	31 DECEMBER 2023
33 DEFERRED TAX ASSETS AND LIABILITIES		
Deferred income tax assets are attributable to the following items:		
Property, plant and equipments	2,290,074	2,290,074
Allowance for loan losses	3,993,366	3,993,366
Unused tax credit	6,283,440	6,283,440
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	6,283,440	6,283,440
Deferred tax assets to be recovered within 12 months	-	-
	6,283,440	6,283,440
income tax liabilities are attributable to the following items:	1,313,995	1,313,995
Property and equipment	-	-
Unrealised exchange gain	-	-
Right of use/Lease Liability	331,225	331,225
Fair value gain on treasury bills	2,079,085	2,079,085
Fair value gains on investment property	3,724,305	3,724,305
Deferred tax liabilities:	-	-
Deferred tax liabilities to be settled after more than 12 months	3,724,305	3,724,305
Deferred tax liabilities to be settled within 12 months	3,724,305	3,724,305
Net Deferred tax impact	2,559,135	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 ₦2.5b as at 31 December 2024 (2023: 2.5b). 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 2024.

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.

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
34 SHARE CAPITAL AND OTHER RESERVES		
Minimum issued shares		
40 billion ordinary shares of 50 kobo each.	20,000,000	20,000,000
Issued and fully paid		
At 1 January (36,036,786 shares of 50 kobo each)	19,560,060	18,018,393
Additions during the year (3,083,333 shares of 50 kobo each) (note 34.1)	-	1,541,667
At 31 December	19,560,060	19,560,060
34.1 DEPOSIT FOR SHARES		
At 1 January	-	-
Addition during the year	9,400,000	-
At 31 December	9,400,000	-
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.		
At 1 January	21,562,674	13,854,341
Issue of shares	-	7,708,333
	21,562,674	21,562,674
34.3 RETAINED EARNINGS		
At 1 January	17,388,742	32,083
Profit for the year	33,037,146	43,546,417
Transfer between reserves	(8,484,878)	(24,387,919)
Dividend paid	(2,500,000)	(1,801,839)
	39,441,010	17,388,742
34.4 DIVIDENDS		
i Ordinary shares		
Final dividend for the year ended 31 December 2023 of 50k per fully paid share	2,500,000	1,801,839
	2,500,000	1,801,839
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 (2023: nil).		

34.5 OTHER RESERVES	2024			2023		
	OPENING BALANCE	MOVEMENT	CLOSING BALANCE	OPENING BALANCE	MOVEMENT	CLOSING BALANCE
	N'000	N'000	N'000	N'000	N'000	N'000
Statutory reserve	19,799,479	9,911,144	29,710,623	6,735,554	13,063,925	19,799,479
Regulatory risk reserve	11,349,487	(4,729,981)	6,619,506	4,380,135	6,969,352	11,349,487
Fair value reserves	-	2,366,289	2,366,289	-	-	-
SMEEIS reserve	3,313,808	1,651,857	4,965,665	1,136,487	2,177,321	3,313,808
AGSMEIS reserve	3,285,064	1,651,857	4,936,921	1,107,743	2,177,321	3,285,064
	37,747,838	10,851,166	48,599,004	13,359,919	24,387,919	37,747,838

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:

ASSET AND LIABILITY MIX	Reference	Individual/ Specific	Collective/ General	Total
Figures in thousands of Naira				
(a) Loans and advances				
Provision per CBN Guidelines		28,617,965	13,326,444	41,944,409
Impairment allowance on loan per IFRS 9	Note 19.1	-	(26,192,963)	(26,192,963)
Impairment on off balance sheet items	Note 31	-	(591,549)	(591,549)
Impairment allowance on other assets	Note 22	-	(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)	Note 7	-	(4,279,099)	(4,279,099)
Amount required in regulatory risk reserve		28,617,965	(21,998,459)	6,619,506
2023				
Provision per CBN Guidelines		21,407,620	6,405,829	27,813,449
Impairment allowance on loan per IFRS 9	Note 19.1	-	(12,464,761)	(12,464,761)
Impairment on off balance sheet items	Note 31	-	(398,698)	(398,698)
Impairment allowance on other assets	Note 22	-	(1,973,984)	(1,973,984)
Impairment on financial assets at amortised cost	Note 20.1	-	(1,626,518)	(1,626,518)
Amount required in regulatory risk reserve		21,407,620	(10,058,132)	11,349,488

iii SMEEIS 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.

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		31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
Reconciliation of profit before tax to cash generated from operations:			
Profit before tax		40,618,943	42,070,288
Adjustments for:			
Interest income	note 5	(188,025,058)	(93,401,561)
Interest expense	note 6	137,199,970	55,087,763
Depreciation of property and equipment	note 14	6,472,315	3,302,422
Depreciation on right of use asset	note 14	225,605	156,321
Amortisation of intangible assets	note 14	982,358	766,918
Write off of property and equipment	note 24	27,438	67,464
Write off of intangible assets	note 26	-	102,191
Gain on disposal of property and equipment	note 11	(16,069)	(6,473)
Impairment movement in fair value reserves	note 11	(4,279,099)	-
Unrealised gain/(loss) on financial asset at FVOCI	note 34.5	2,366,289	-
Foreign exchange revaluation gain	note 11	(30,131,785)	(32,190,834)
Net fair value gain on financial assets at fair value	note 10	5,225,101	(6,724,295)
Impairment on loans and advances	note 7	13,728,202	6,775,198
Impairment charge on other financial assets		5,132,741	1,620,897
		(10,473,048)	(22,373,700)
Changes in operating assets			
Financial assets at FVTPL		-	-
Loans and advances to customers		(309,749,660)	(207,699,016)
Prepayments and other assets		(11,575,563)	(104,561,377)
Change in restricted balance with CBN		(82,712,532)	(350,443,140)
Change in other deposits with central bank		-	22,801,940
Changes in operating liabilities			
Deposits from customers		221,256,325	612,668,522
Accruals and other liabilities		40,360,425	28,834,226
Net cash flow used in operating activities		(152,894,052)	(20,772,545)

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.

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
36. 1 KEY MANAGEMENT COMPENSATION		
Directors' renumeration		
Non-executive directors		
Allowances	382,000	352,775
Executive directors	535,392	535,392
Short-term employee benefits	47,238	39,648
Pension contributions	47,238	927,815
36. 2 COMPANIES'/DIRECRTORS' DEPOSIT LIABILITIES		
Balance, at 1 January	597,550	996,058
Net movement during the year	-	(398,508)
	597,550	597,550

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 2024 isN7.5b. Below is the schedule showing the Bank's director-related lending for the year ended 31st December 2024:

S/N	NAME OF BORROWER	RELATIONSHIP TO REPORTING INSTITUTION	NAME OF RELATED DIRECTORS	FACILITY TYPE	OUTSTANDING PRINCIPAL	STATUS
1	WALTER AKPANI	MANAGING DIRECTOR	WALTER AKPANI	TERM LOAN	141,951	Performing
2	KINGSLEY AIGBOKHAEVBO	DEPUTY MAN. DIRECTOR	KINGSLEY AIGBOKHAE	STAFF MORTGAGE LOAN*	3,406,739	Performing
3	OBAFUNMILAYO & FUNMITO AGUSTO	NON EXECUTIVE DIR.	FUNMI AGUSTO	WORKING CAPITAL	109,578	Performing
4	ADEOYE OJUROYE	EXECUTIVE DIRECTOR	ADEOYE OJUROYE	STAFF MORTGAGE LOAN*	2,545,915	Performing
5	AMBER DRINKS LTD 2	EXECUTIVE DIRECTOR	ADEOYE OJUROYE	WORKING CAPITAL	719,555	Performing
6	DOCKLANDS ENTERPRISES	EXECUTIVE DIRECTOR	ADEOYE OJUROYE	SECURED TIME LOAN -RESTRUCTURED	563,838	Performing
7	OPI, OPIA AND ASSOCIATES	COMPANY SECRETARY	COMPANY SECRETARY	LONG TERM LOAN -SPECIALISED	42,297	Performing
					7,529,873	

*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 N474.7million for the year 2024 (2023: N38.5 million). Details of the banking regulation which the Bank contravened during the year are as follows:

REGULATORY BODY	NATURE OF CONTRAVENTION	N'000
Central Bank of Nigeria	Penalty Charge IRO Section 3.9.3 - CBN Risk Based Cybersecurity 2018	30,500
Central Bank of Nigeria	Penalty charge for failure to implement all External Auditors recommendation on Management Letter	2,000
Central Bank of Nigeria	Penalty in respect to Non-compliance with Anti-money laundering regulations	127,250
Central Bank of Nigeria	Penalty imposed for violation of extant regulations	250,000
Central Bank of Nigeria	Santion on failure to comply with the provisions of section 4.3 (2) of the CBN guidance on TFS (PF)	5,000
Central Bank of Nigeria	Penalty in respect of infraction on risk based supervisory report (Oct 1 2022 to Sept 30 2023	60,000
		474,750

39 Contingent liabilities

39.1 Claims and litigations

The Bank in the ordinary course of business is presently involved in 69 litigations (2023: 59 litigations). In 12 of the 69 litigations, the bank is the plaintiff (2023: 11 litigations) while the bank is the defendant in 38 litigations (2023: 48). Other cases were third party cases for the bank. The total amount of cases claimed against the bank is 38 litigations with an estimated amount of approximately N2b. (31 December 2023: N4b) while the total amount claimed in the 12 cases instituted by the Bank is N12b (31 December 2023: N1.5b). 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 N28.6 billion as at 31 December 2024 (2023:N899.6 billion).

	31 DECEMBER 2024 N'000	31 DECEMBER 2023 N'000
39.3 ACCEPTANCE, BONDS AND GUARANTEE		
Bonds & guarantees	215,453,301	98,614,789
Letters of Credit	128,417,126	118,910,752

40 Dividends

The Bank has proposed to pay dividend for the reporting period N2 billion (2023:N2.5 billion).

41 Non-audit services

During the year, the Bank's auditor, PricewaterHouseCoopers, was awarded the contract below;

SERVICE	DESCRIPTION	AMOUNT N'000
1. NDIC Agreed Upon procedures	PwC was requested to certify the total deposit liabilities standing in the books of the Bank as at 31 December 2024 in line with the provision of Nigeria Deposit Insurance Corporation (NDIC) Act.	3,000

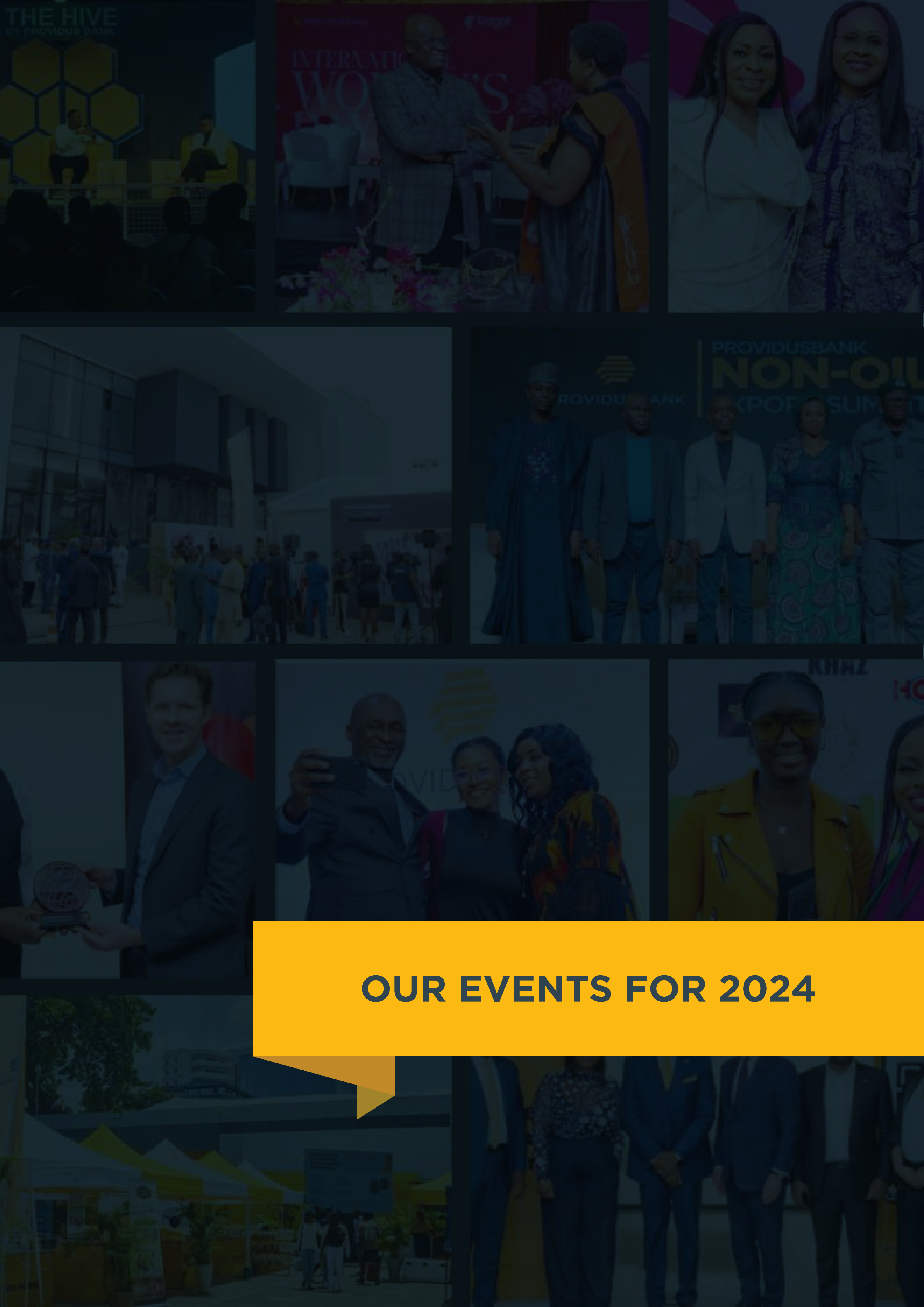
In the Bank's opinion, the provision of this service to the Bank did not impair the independence and objectivity of the external auditor.

Other National Disclosures

	DECEMBER 2024 N'000	%	DECEMBER 2023 N'000	%
VALUE ADDED STATEMENT				
Gross income	269,154,545		147,348,775	
Interest expense	(137,199,970)		(55,087,763)	
Value added	131,954,575		92,261,012	
Administrative overheads:				
- Local	(51,212,179)		(28,318,344)	
Value added	80,742,396	100	63,942,668	100
Distribution:				
Employees				
-Wages & salaries and other staff cost	17,193,170	21	10,553,319	17
Government				
-Taxation	7,581,797	9	(1,476,129)	(2)
The future				
-Asset replacement (depreciation)				
-Local	3,302,422	4	2,265,683	4
-Asset replacement (amortisation)				
-Local	766,918	1	657,283	1
-Impairment loss	18,860,943	23	8,396,095	13
Profit for the year	33,037,146	41	43,546,417	68
	80,742,396	100	63,942,668	100

	DECEMBER 2024 N'000	DECEMBER 2023 N'000	DECEMBER 2022 N'000	DECEMBER 2021 N'000	DECEMBER 2020 N'000
FIVE-YEAR FINANCIAL SUMMARY					
Statement of financial position					
Assets:					
Cash and bank balances	19,427,908	7,417,497	76,645,764	24,660,678	13,669,629
Due from other financial institutions	530,219,196	134,383,472	32,930,070	26,642,717	20,175,426
Financial assets at fair value	117,627,271	75,893,164	-	507,790	48,709
Loans and advances at amortised cost	800,827,227	494,188,762	282,647,938	165,946,359	101,373,092
Financial assets at amortised cost	289,695,271	192,532,300	141,601,993	138,719,320	121,888,575
Cash reserve balance with Central Bank of Nigeria	579,614,616	496,902,084	146,458,944	148,095,780	89,567,141
Other Assets	140,687,533	130,939,572	27,163,795	13,183,141	6,345,488
Investment Properties	-	3,264,527	3,264,527	5,425,737	6,655,530
Property and equipment	74,884,985	31,362,195	22,132,982	16,646,156	11,299,851
Right of use assets	612,737	560,616	519,811	668,626	354,205
Intangible assets	2,359,554	2,118,912	2,427,097	2,493,680	1,890,220
Deferred tax assets	2,559,135	2,559,135	15,200	76,508	76,508
Assets classified as held for sale	3,264,527	-	-	-	-
Total assets	**2,561,779,960**	**1,572,122,236**	**735,808,121**	**543,066,492**	**373,344,374**
Liabilities:					
Deposits from customers	1,574,471,477	1,119,141,707	504,462,667	340,299,967	225,758,887
Borrowed funds	619,511,605	181,976,497	46,371,208	67,326,091	70,735,579
Current tax liability	7,975,223	1,340,234	726,489	418,870	290,795
Debt Securities Issued	15,789,907	9,694,859	4,609,162	-	-
Other liabilities	205,120,326	163,315,824	133,988,560	97,320,447	52,762,061
Lease liabilities	348,674	393,801	385,298	380,468	88,963
Deferred tax liabilities	-	-	-	81,797	81,797
Total liabilities	**2,423,217,211**	**1,475,862,922**	**690,543,384**	**505,827,640**	**349,718,082**
Equity:					
Share capital	19,560,060	19,560,060	18,018,393	18,018,393	12,863,726
Deposit for shares	9,400,000	-	-	-	8,964,000
Share premium	21,562,674	21,562,674	13,854,341	13,854,341	3,545,008
Retained earnings and other reserves	88,040,015	55,136,580	13,392,003	5,366,118	(1,746,442)
Total equity	138,562,749	96,259,314	45,264,737	37,238,852	23,626,292
Total liabilities and equity	**2,561,779,960**	**1,572,122,236**	**735,808,121**	**543,066,492**	**373,344,374**

	DECEMBER 2024 N'000	DECEMBER 2023 N'000	DECEMBER 2022 N'000	DECEMBER 2021 N'000	DECEMBER 2020 N'000
FIVE-YEAR FINANCIAL SUMMARY					
Statement of total comprehensive income					
Interest income					
Interest income on financial assets at fair value through profit or loss	188,025,058	93,401,561	50,190,640	29,394,929	13,181,476
Interest expense	-	-	-	-	1,085,259
Net interest income	(137,199,970)	(55,087,763)	(28,811,845)	(17,180,574)	(6,094,847)
	50,825,088	38,313,798	21,378,795	12,214,355	8,171,888
Impairment on financial assets					
Net interest income after impairment charges	(18,860,943)	(8,396,095)	(3,243,793)	(1,018,297)	(1,260,703)
	31,964,145	29,917,703	18,135,002	11,196,058	6,911,185
Fee and commission income					
Fee and commission expense	29,491,238	14,796,182	8,526,866	7,011,919	3,572,500
Net fee and commission income	(1,987,791)	(1,255,270)	(449,960)	(461,703)	(294,821)
	27,503,447	13,540,912	8,076,906	6,550,216	3,277,679
Net trading gains					
Other operating income	21,308,186	6,724,294	1,645,294	1,031,456	1,501,810
Impairment charge on financial assets	30,330,063	32,426,737	2,498,908	2,268,211	302,420
	-	-	-	(383,609)	(464,138)
	51,638,249	39,151,031	4,144,202	2,916,058	1,340,092
Net operating income	11,105,841	82,609,647	30,356,110	20,662,332	11,528,956
Personnel expenses	(17,193,170)	(10,553,319)	(6,593,225)	(4,810,872)	(2,906,060)
Other operating expenses	(45,613,450)	(25,760,378)	(12,055,761)	(6,194,105)	(3,471,842)
Depreciation and amortisation	(7,680,278)	(4,225,661)	(3,071,781)	(2,204,647)	(1,677,001)
Total operating expenses	(70,486,898)	(40,539,358)	(21,720,767)	(13,209,624)	(8,054,903)
Profit before tax	40,618,943	42,070,288	8,635,343	7,452,708	3,474,053
income tax expense/(credit)	(7,581,797)	1,476,129	(609,458)	(340,150)	(232,020)
Profit for the year	33,037,146	43,546,417	8,025,885	7,112,558	3,242,033
Other comprehensive income, net of related tax effects:	2,366,289	-	-	-	-
Total comprehensive income for the year	35,403,435	43,546,417	8,025,885	7,112,558	3,242,033
Earnings per share from continuing operations					
Basic (kobo per share)	90	116	23	23	13
Diluted (kobo per share)	90	116	23	23	13



OUR EVENTS FOR 2024

THE HIVE **by** Providusbank

In late March and early April 2024, The Hive lit up Lagos as ProvidusBank hosted a three-day lifestyle and culture festival at Balmoral Convention Centre. Featuring over 150 exhibitors, the event celebrated food, fashion, wellness, beauty, and entertainment.

With masterclasses featuring wellness by Jade Phillips, cooking with Chef Chi and Bukie Akinmade, beauty demos with Banke Meshida, and fashion insights by Ugo Monye and Kolapo Olabintan, live performances by Tiwa Savage and Teni, runway shows, and a buzzing Kids Village, The Hive captured the spirit of community and creativity. It further positioned ProvidusBank as a trend-forward institution investing in culture and lifestyle experiences.

THE HIVE - DAY 2

THE HIVE - DAY 3

International Women's Day 2024 – Powered by Regal

On March 8, 2024, ProvidusBank celebrated women with a signature Regal by ProvidusBank event themed "Inspire Inclusion." The exclusive gathering for high-net-worth women took place at the Sky Restaurant, Eko Hotel & Suites, featuring keynote speaker Uju Ifejika and a fireside chat with top female entrepreneurs.

The event spotlighted Regal as Nigeria's premier female-focused banking product. It also strengthened the bank's commitment to empowering women, fostering community, and generating new business leads through engagement with its elite clientele.

Non-Oil Export Summit

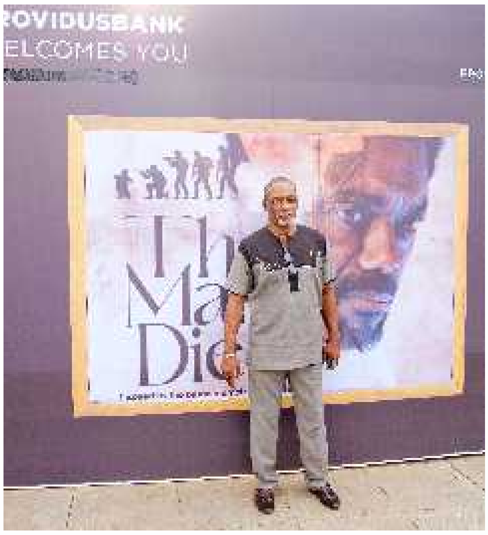
ProvidusBank hosted the 4th Non-Oil Export Summit in Lagos, themed "Non-Oil Export – The Past, The Present and The Future," reinforcing its push for Nigeria's economic diversification. Industry leaders in agribusiness, mining, and fashion explored new export opportunities.

The bank unveiled initiatives like export advisory services, forex concessions, and tailored trade support. Government bodies highlighted reforms such as improved port infrastructure and e-customs, while discussions also tackled challenges like high shipping costs and AfCFTA readiness.

The Man Died – A Tribute to Wole Soyinka

To honor Wole Soyinka's 90th birthday, ProvidusBank co-hosted the premiere of The Man Died, a powerful film adaptation of the Nobel Laureate's prison memoir. Held on June 13, 2024, at Alliance Française, Ikoyi, the event highlighted Soyinka's resilience during his civil war incarceration.

The exclusive screening catered to literary minds, cultural icons, and high-value clients. The bank also supported a UNESCO-accredited biography series for young readers, starting with a Wole Soyinka edition, reinforcing its support for African storytelling and cultural preservation.



ProvidusBank – British High Commission Meeting

ProvidusBank met with the British High Commission to discuss strengthening relations between Nigeria and British citizens, focusing on enhanced economic and cultural ties.

The meeting explored ProvidusBank's role in supporting British nationals and businesses in Nigeria through tailored financial solutions and seamless cross-border services.

Both parties also discussed future partnership opportunities to drive mutual growth, including initiatives to boost trade, investment, and community development. This engagement reinforces ProvidusBank's commitment to fostering strategic international collaborations.

Classic Car Show 2024

On Sunday, June 16th, 2024, ProvidusBank brought history to life as it proudly sponsored the Father's Day Classic Car Show at the Palms Mall Lekki Parking Lot—a celebration that paid homage not only to fatherhood but to Nigeria's growing love for classic cars.

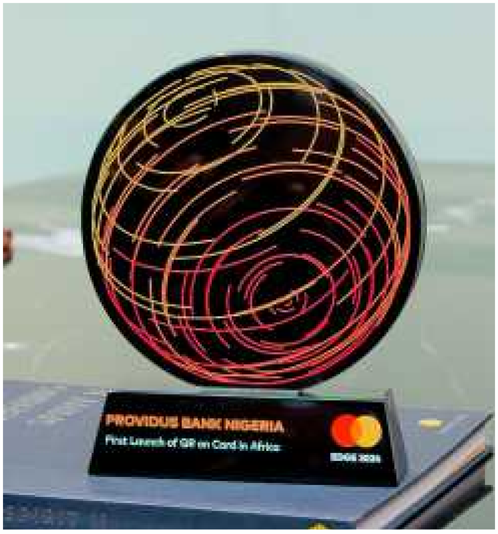
Vintage automobiles took centre stage, telling stories of craftsmanship, legacy, and timeless design. Families, car lovers, and members of the community gathered to admire these mechanical masterpieces, many of which echoed the golden eras of motoring.

The event offered a powerful blend of nostalgia and networking, drawing clients, media attention, and key figures from the classic car community into an unforgettable day of culture, connection, and celebration.

ProvidusBank Mastercard Award Presentation

Mastercard honored ProvidusBank with an award for being the first bank in Africa to launch a card with an embedded QR code. The innovative Amphicard serves a dual purpose—functioning both as a payment card and a collection card through its unique QR code feature.

A delegation from Mastercard met with ProvidusBank's management team, alongside the E-Business and Cards Unit, to present the award to the MD/CEO and recognize the bank's pioneering efforts in delivering cutting-edge banking solutions and redefining the payment landscape in Africa.



Access to Investment Program

On August 23, 2024, ProvidusBank hosted the Access to Investment Initiative to mark the close-out of its SME Program. Held at the Roof-up Lounge, the event connected SME participants with HNIs, investors, and partners for pitching, networking, and investment discussions.

Key moments included certification, deal-day presentations, and an investment poll, all supported by remarks from ProvidusBank, EDC, and stakeholders.

With curated branding, hospitality, and media coverage, the event reinforced the bank's commitment to supporting SMEs and unlocking access to capital

Nigeria-Thailand Business Initiative Organised By Providusbank

ProvidusBank hosted the Nigeria-Thailand Business Initiative, a strategic forum to deepen trade and investment ties between both nations.

The event featured opening remarks by MD/CEO Walter Akpani and insights from Chief Risk Officer Olugbile Erinwusi on the benefits of the partnership.

Presentations by Prof. Pradit, and CEOs of FallaBella, A4S, and Natari Group highlighted business opportunities and investment plans in Nigeria and Thailand. ED/CFO Deoye Ojuroye also showcased ProvidusBank's Future Forward Banking solutions. The evening ended with a networking session, reinforcing ProvidusBank's role in driving cross-border partnerships and economic growth.

Attach
Current
Passport

PAC Registrars & Investor Service

e-DIVIDEND ACTIVATION FORM

PLEASE COMPLETE IN BLOCK LETTERS

I/We, hereby request that henceforth, all my/our dividend/coupon payment due to me/us from the paying company indicated below be paid to my/our bank account stated hereunder

Bank Verification Number (BVN)

Bank Name

Bank Branch

Bank Address

Bank Account Number

Account Opening Date

SHAREHOLDER'S ACCOUNT INFORMATION

INDIVIDUAL ☐ JOINT SHAREHOLDER ☐ CORPORATE SHAREHOLDER ☐

Surname / Company's Name

First Name, Other Name (for individual Shareholders only)

Shareholder's CHN (If know) C

Current Postal Address

PICK YOUR COMPANY, INPUT THE ACCOUNT NO (IF KNOW)

- ☐ PROVIDUS BANK PLC
- ☐ AVON CROWN CAPS
- ☐ ALLIANCE & GENERAL INSURANCE PLC
- ☐ BAUCHI STATE 16.5% FIXED RATE SERIES 1
- ☐ CAPITAL OIL PLC
- ☐ GEO-FLUIDS PLC
- ☐ GPC-SPV COMPANY PLC
- ☐ HEALTHNOMICS HMO PLC
- ☐ KAMSIPARTS AUTOMOTIVE LIMITED
- ☐ NATURELLE EXTRACTS PLC
- ☐ NIGERIAN SEWING MACHINE PLC (SINGER)
- ☐ ONEWATTSOLAR: GREEN SUKUK & BOND
- ☐ PACAM EQUITY FUND
- ☐ PACAM EUROBOND FUND
- ☐ PACAM FIXED INCOME FUND
- ☐ PACAM MONEY MARKET FUND
- ☐ PANAFRICAN CAPITAL HOLDINGS LIMITED
- ☐ SECURE ELECTRONICS TECHNOLOGY PLC
- ☐ SPRING/UNITED MORTAGE COSIDERATION
- ☐ STOKVIS NIGERIA PLC
- ☐ SWAP TECHNOLOGIES & TELECOMMS PLC
- ☐ UOO NIGERIA PLC

City State Country

e-Mail Address

Previous Home/Post Address (if any)

Mobile (GSM) Phone Numbers 1 Mobile/Land Telephone 2

Attach Shareholder's Signature or Thumbprint

Attach Joint/Corporate Signature

Attach your Identification Card ID

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 the Friday, 1st day of August 2025 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 Friday, 1st, August, 2025 and at any adjournment thereof.

Dated this ....day of 2025

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. To receive and consider the Audited Financial Statements for the year ended 31st December 2024 and the Reports of the Directors and External Auditors thereon.		
2. To declare a Dividend.		
3. To elect a director/re-elect directors retiring by rotation.		
4. To disclose the remuneration of the managers of the Company		
5. Appoint/re-appoint external auditors and authorise the Directors to fix the remuneration of the external auditors for the ensuing year.		
6. Any other business.		

NOTES:

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, 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.

CLOSURE OF REGISTER: The Register of Members of the Company will be closed from Monday, July 21st, 2025, to Friday, July 25th, 2025.

DIVIDENDS: If the proposed dividend of ₦0.05k only per Ordinary Share of 50 Kobo each, totalling N2,000,000,000.00, is approved, the dividend will be paid WITHIN THREE DAYS from the date of the Annual general meeting to shareholders whose names appear in the Register of Members at the close of business on July 25, 2025. The proposed dividend is subject to withholding tax at the applicable tax rate.

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 Shareholder's Update form are attached to the Annual Report for the convenience of all shareholders. The forms can also be downloaded from the Company's website or obtained from the Registrars. The completed forms should be returned to PAC Registrars & Investor Services, 122 Bode Thomas Street, Surulere, Lagos.

VOTING: Voting at the meeting shall be by show of hands.

Election and re-election of Directors

(a) Election of Directors:
Mr Nwachukwu Chukwuma, who currently heads the Treasury/ Financial Institutions Department of the Bank, was nominated and approved for appointment as an Executive Director by the Board of Directors on April 15, 2025. In line with the provisions of **Article 1.2 of the Corporate Governance Guideline for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria (CBN Code),** Mr. Nwachukwu Chukwuma is presented to the members for appointment as Executive Director of Providusbank Limited, subject to approval by the Central Bank of Nigeria.

(b) Re-election of Directors
In accordance with the provisions of Article 98 of the Company's Articles of Association, Mr. Agusto Funmi and Mr. Onokwai Maurice 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.

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 Friday, 1st day of August 2025 at 11.00am

PROVIDUSBANK

Please Admit the Shareholder or his/her/its duly appointed proxy to the Annual General Meeting of Providus Bank Limited, to be held on Friday, 1st day of August 2025 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.

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ProvidusBank Limited
724, Adetokunbo Ademola Street
Victoria Island, Lagos.

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