Innovating for Impact: Scaling Access, Transforming Futures

Annual Report
2025

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Mission & Vision

Mission

To economically empower micro-entrepreneurs and low income earners by providing financial services in a sustainable, ethical and profitable manner.

Vision

To be the market leader in the provision of microfnance and related financial services, at world class standards.

Core Values

INTEGRITY

We adhere to the highest ethical standard; employing fairness, probity and mutual respect in all we do.

CUSTOMER SERVICE

We actively seek to understand our customer's circumstances, problems, expectations and needs with the aim of delighting and surpassing their expectations in our service delivery.

LEADERSHIP

We are committed to an attitude and culture of positively influencing the environment around us both as an organization and individually through our people.

INNOVATION

Ours is a creative team determined to generate new products, services and processes that lead to new dimensions of performance and value creation for all our stakeholders.

TEAMWORK

We collaborate with all our stakeholders by effectively interacting and proactively building effective and value adding relationships to achieve our shared goals.

Corporate Information

Directors:

Mr. Christian Ruehmer	Board Chairman
Mr. Taiwo Joda	Managing Director
Professor Olayinka David-West	Independent Non-Executive Director
Mr. Mark Adogah	Non-Executive Director
Mr. Gift Mahubo	Non-Executive Director
Mr. Brian Kuwik*	Non-Executive Director
Mr. Edwin Ogbogu	Non-Executive Director
Alhaji Yusufu Modibbo	Independent Non-Executive Director
Mrs. Joy Ojakovo	Independent Non-Executive Director
Dr. Adeola Ogunyemi**	Non-Executive Director

*Resigned effective 31 March 2025
**Appointed Non-Executive Director effective 13 May 2025

Company Secretary: Oluwatosin Aoko
154, Ikorodu Road Onipanu, Lagos
FRC/2024/PRO/NBA/002/460101

Registered Office: 154, Ikorodu Road Onipanu, Somolu, Lagos
P.O box 71252 Victoria Island , Lagos.

Corporate Head Office: 154 Ikorodu Road, Onipanu Bus-stop, Somolu, Lagos

Independent Auditor: KPMG Professional Services
KPMG Tower, Bishop Aboyade Cole Street,
Victoria Island, Lagos.

Major Bankers:
Ecobank Nigeria Limited
Stanbic IBTC Bank PLC
Guaranty Trust Bank Plc
Zenith Bank PLC
Access Bank PLC
CitiBank Nigeria Limited
Wema Bank PLC

CAC Registration number RC 653525

Tax identification number 01501132-0001

CBN/MFB code 50009

Reference Number: OFID/GBA/MFB/07/12

Licencing Approval Date: April 25, 2007

Employee Name	Position	CBN Aproval Date	Employment Date	CBN Approval Status
Taiwo Joda	MD/CEO	October 30 2017	August 1, 2017	Yes
Adeola Adebisi	Chief Finance Officer	October 26, 2020	August 3, 2020	Yes
Stephen Olalere	Chief Commercial Officer	August 2018	1-Mar-11	Yes
Ayodeji Mebude	Group Head, Operations	December 10, 2021	October 05, 2020	Yes
Kazeem Bisiriyu	Chief Risk and Compliance Officer	August 2024	2-May-24	Yes
Oluwatosin Aoko	Head, Legal / Company Secretary	July 19, 2023	February 1, 2023	Yes
Emmanuel Uzowulu	Regional Bank Head, Lagos 2	10-Dec-21	1-Aug-08	Yes
Amaechi Madu	Regional Bank Head, SS/SE	13-Dec-23	6-Mar-23	Yes
Ugochi Okafor	Head, Human Resources	12-Oct-20	3-Feb-20	Yes
Omoyeni Melia	Head, Learning & Development	9-Oct-24	10-Mar-08	Yes
Moses Idehen	Chief Technology Officer	7-Apr-25	6-Nov-24	Yes
Yewande Faleyimu	Regional Bank Head, Lagos 1	7-Apr-25	2-Oct-24	Yes
Bridget Abhulimen	Chief Information Security Officer	16-Feb-26	1-Aug-25	Yes
Oluwole Oyedele	Head, Internal Audit	28-Nov-25	19-May-25	Yes
Paul Ehiagbonare	Chief Digital Officer	7-Apr-25	22-May-23	Yes-Resigned
Ighoakpo Eduje	Chief Information Security Officer	7-Apr-25	2-Sep-24	Yes-Resigned
Adeniyi Adeoye	Regional Bank Head, South West	Not Applicable*	3-Feb-25	No
Afolasade Odunlami	Head, Financial & Regulatory Reporting	Not Applicable*	24-May-21	No

* Not a direct report to the MD/CEO


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FROM LOANS TO SAVINGS
We provide the tools for individuals and businesses to thrive
9:41
How would you like to save?
Save2Loan
SAVE
Save up to a certain amount and become eligible for a Loan.
Target Savings
START
Reach your financial goals effortlessly with target savings
Spend & Save
START
Save some money every time you spend
Fixed Deposit
LOCK
Lock down a particular amount for a certain period of time & earn interest
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My Future is Bright

Winner of the EFInA Award for Financial Inclusion & the LEAD Award for Best Microfinance Bank of the Year

RC 653525
Accion Microfinance Bank Limited

Head Office
154, Ikorodu Road,
Onipanu Bus stop,
Shomolu,
Lagos.

01-2719325 Tel 1
01-2719326 Tel 2
01-2719327 Fax

Corporate P.O. Box
P.O. Box 71252
Victoria Island, Lagos

Registered Office
154, Ikorodu Road,
Onipanu Bus stop,
Shomolu,
Lagos.

IN ASSOCIATION WITH

ACCION Africa-Asia Investment Company

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ACCION MICROFINANCE BANK LIMITED

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of **Accion Microfinance Bank Limited** will be held virtually on **Thursday, June 4, 2026, at 3:30 p.m.** for the transaction of the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2025 together with Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To re-elect Mr. Mark Adogah and Mr. Yusufu Modibbo as Directors of the Company.
4. To ratify the appointment of Ms. Ayodele Osolake as a Director of the Company.
5. To disclose the remuneration of Directors of the Company.
6. To authorize the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

7. To consider and if thought fit, pass the following resolution as an ordinary resolution:

   "That an amount not exceeding the sum of N86,400,000.00 be approved as Directors' remuneration for the 2026 financial year".

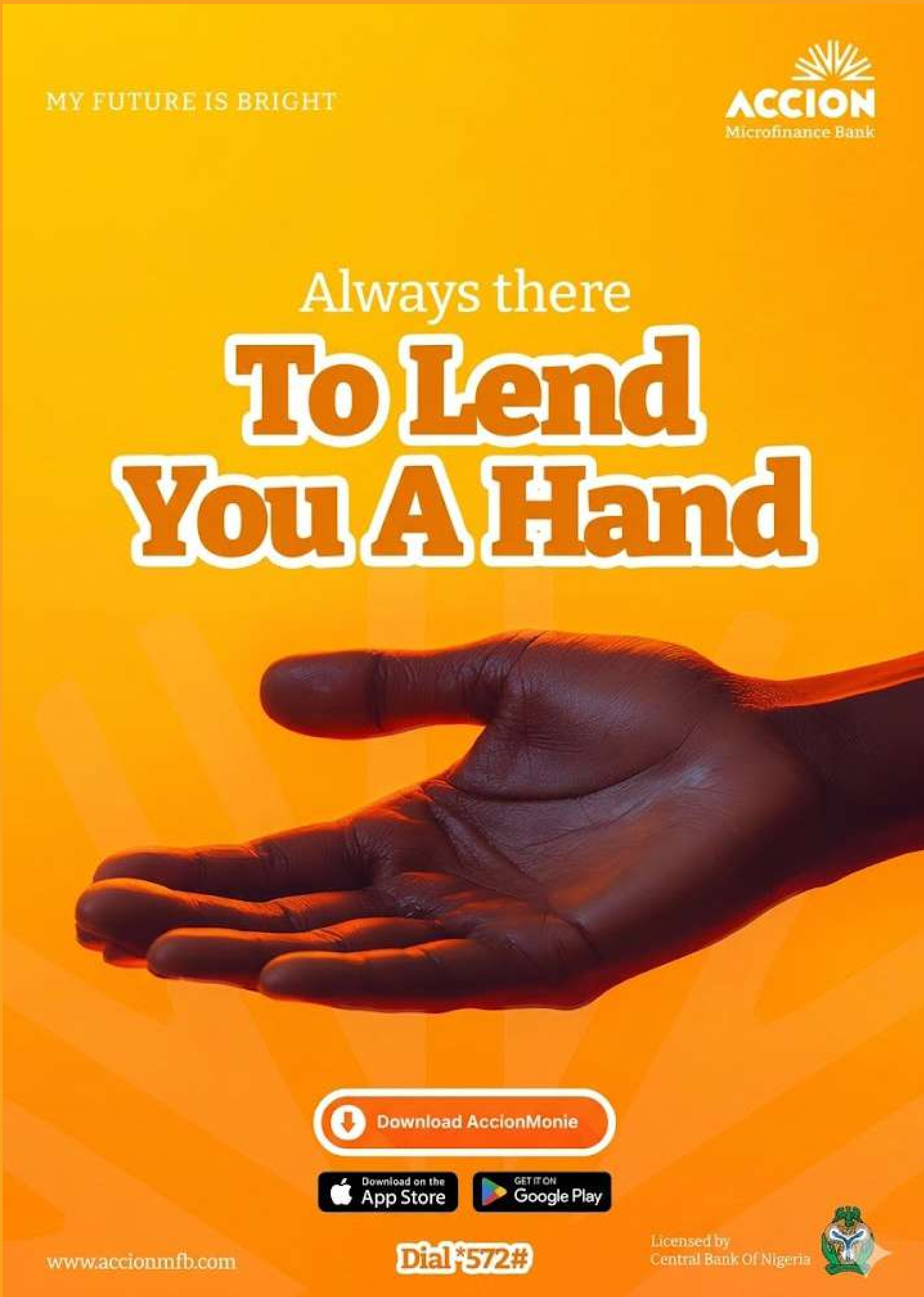
BY ORDER OF THE BOARD

Oluwatosin Aoko
Company Secretary
FRC/2023/PRO/NBA/002/460101
May 29th, 2026

Registered Office
154 Ikorodu Road, Onipanu
Somolu, Lagos

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member. A form of proxy is attached.

TELECONFERENCE:
Zoom link: https://us02web.zoom.us/j/8794842857?omn=86757514657
Meeting ID: 879 484 2857
Passcode: Accion1234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Scaling Access and Delivering Lasting Impact through Inclusive and Sustainable Growth.

Remarks on behalf of the Board of Directors

Christian Ruehmer
Chairman

Dear Valued Shareholders, Distinguished Members of the Board, and Esteemed Stakeholders,

I am pleased to welcome you to the 20th Annual General Meeting of Accion Microfinance Bank. On behalf of the Board, I sincerely appreciate our shareholders, customers, regulators, partners, Management and staff for their continued trust, support and commitment to the Bank.

The 2025 financial year was another important year in our journey. The audited financial statements for the year ended 31 December 2025 show that the Bank delivered on our mission on all fronts: stronger earnings, our loan portfolio and customer deposits grew by 44% and 11.3%, we now serve 22,345 loan customers and 404,671 depositors. Our capital base is strong, significantly above the regulatory minimum requirements for national microfinance banks and our earnings grew significantly. This is the result of the hard work of all involved people, the dedication to the mission and an uncompromised discipline in the execution.

2025 Financial Performance

The Bank recorded gross earnings of N11.58 billion in 2025, representing a 51% increase from N7.65 billion in 2024. Interest income rose to N10.76 billion, while net interest income improved to N8.67 billion, supported principally by the growth in loans and advances to customers.

Profit before tax increased to N1.82 billion from N800.25 million in the prior year, while profit after tax grew to N1.03 billion from N575.63 million. Earnings per share also improved accordingly to 85 kobo, compared with 48 kobo in 2024.

This performance shows the potential that is in the bank's operating model. Our strong believe in the combination of in-depth understanding of our market, skilled and dedicated staff and a strong believe in digital transformation. This has been the basis of our work. Allow me to use the analogy of sports: not only does our results proof our strong defense: the resilience of the Bank's operating model to address higher-cost environment increased interest expense, operating expenses, and an industry wide high level of expected credit loss charges. It also shows our ambitious offense: with the growth in size and profitability, the outreach to new customers, the implementation of new products and services and the use of innovative funding instruments.

Balance Sheet Growth and Financial Strength

The Bank's total assets increased to N29.54 billion in 2025 from N19.42 billion in 2024, representing a 52% year-on-year growth. Loans and advances to customers grew to N23.73 billion from N16.02 billion, underscoring the Bank's continued support for micro, small and medium enterprises and other customers within its mandate.

Customer deposits also grew strongly to N11.27 billion from N6.41 billion in 2024, demonstrating improved customer confidence and stronger deposit mobilisation. Borrowings stood at N8.25 billion, supporting the Bank's funding base for continued lending and growth.

The Bank maintained a strong capital position, with total equity of N7.77 billion as at 31 December 2025, compared with N7.10 billion as at 31 December 2024. This remains above the N5.00 billion minimum capital requirement for national microfinance banks and provides a solid foundation for continued expansion.

Dividend and Shareholder Value

Given the improved performance, the Board recommends a dividend of 35 kobo per share, totalling N422.04 million, compared with 30 kobo per share, totalling N362.22

million in 2024. This recommendation reflects the Board's commitment to delivering value to shareholders today as well as in the future. On the one side, we are distributing the dividend to the shareholders on the other hand, we further strengthen the capital basis through the consolidation of profits which is the basis of future growth and an increased valuation in the while preserving the capital requiredto support future growth.

Operational Reach and People

The Bank expanded its physical network during the year by adding three new branches: Ilorin in Kwara State, Kaduna in Kaduna State, and a second branch in Kano. As of year-end, the Bank operated 75 branches nationwide, improving accessibility, customer engagement, and financial inclusion in key regions.

Our people remain central to the Bank's performance. The Bank closed the year with 813 employees, comprising 53% female and 47% male staff. This reflects our continued commitment to inclusion, talent development and a resilient organisational culture.

We have a unique combination of senior, experienced staff members, many of whom have been with us for a very long time and a young, motivated team of employees. Our responsibility is to provide growth opportunities for our teams. Allowing us to actively developing our next generation of leaders.

Digital Transformation and Innovation

The Bank also advanced its digital transformation and innovation agenda in 2025 by leveraging technology to improve access, efficiency, and the customer experience. The revamped USSD onboarding process introduced phone number-based onboarding linked to NIN, making account opening and essential services such as transfers, airtime purchase and balance enquiry more accessible to underserved and low-connectivity customers. The Bank also refreshed its website to improve product visibility, navigation and customer journeys.

Progress was also recorded in merchant banking and payments through the Blusalt Merchant Banking integration, with capabilities for digital merchant onboarding, transaction monitoring, internal oversight and payout management. The Ebanqo WhatsApp banking platform strengthened customer engagement, and digital savings and engagement solutions such as Spend & Save, Save2Loan, and Refer & Earn supported deposit mobilisation, retention, and customer acquisition. The Bank also advanced a Community Impact Platform to support structured SME onboarding, community engagement and impact monitoring across underserved groups.

In lending and operational efficiency, the rollout of GIGMile/GIGpremier expanded access to faster digital credit for gig workers and underserved segments, including mobility-related lending. Ongoing optimisation of the Octopus platform also improved workflow structure, data visibility, audit trails, and internal controls, strengthening the operational foundation for sustainable growth.

The Bank also launched a pilot of its Community Impact Initiative during the year to deepen responsible lending among grassroots communities, artisans, and micro-entrepreneurs. The pilot provides a more structured pathway for community-based outreach, SME onboarding, access to loan services, participation monitoring and impact tracking, reinforcing the

Bank's commitment to inclusive growth at the base of the economy.

The bank's Community Impact Initiative currently operates in 4 states of KANO, LAGOS, EDO and RIVERS as the pilot states while further expansion is being planned for OYO, OGUN, FCT and ONDO. So far, we have disbursed about **N100M** to about 500 micro entrepreneurs largely in rural and peri-urban locations since the start of the project.

Governance, Risk Management and Compliance

The Board continued to provide effective oversight during the year, with five Board meetings held in 2025 and active engagement through the standing Board Committees. The Bank also maintained compliance with applicable corporate governance requirements and continued to strengthen its risk management and internal control framework.

Operational risk remained a key area of focus, with the Bank maintaining a bank-wide operational risk register aligned with its Enterprise Risk Management framework. The Bank also closed the year with Portfolio at Risk across all buckets below the applicable regulatory benchmarks, with PAR 1 Day at 4.3%, a first-time achievement for the Bank and a strong reflection of improved portfolio discipline, monitoring and recovery focus. Here we are definitely showing and impeccable strength completely in counter to market trends.

Community and Social Responsibility

The Bank continued to support community development during the year. As part of its commitment to its primary community, the Bank made charitable and non-political contributions totaling N479,150, including support for restocking the Aiyetoro Primary School Library.

Looking Ahead

Looking ahead, our focus remains on sustaining profitable growth, deepening customer deposits, expanding access to responsible credit, strengthening operational efficiency and preserving a sound capital base. We will continue to balance growth with prudent risk management, regulatory compliance and long-term shareholder value creation.

We are confident that the Bank is well-positioned to build on the progress recorded in 2025 and continue advancing its mission to expand access to inclusive financial services.

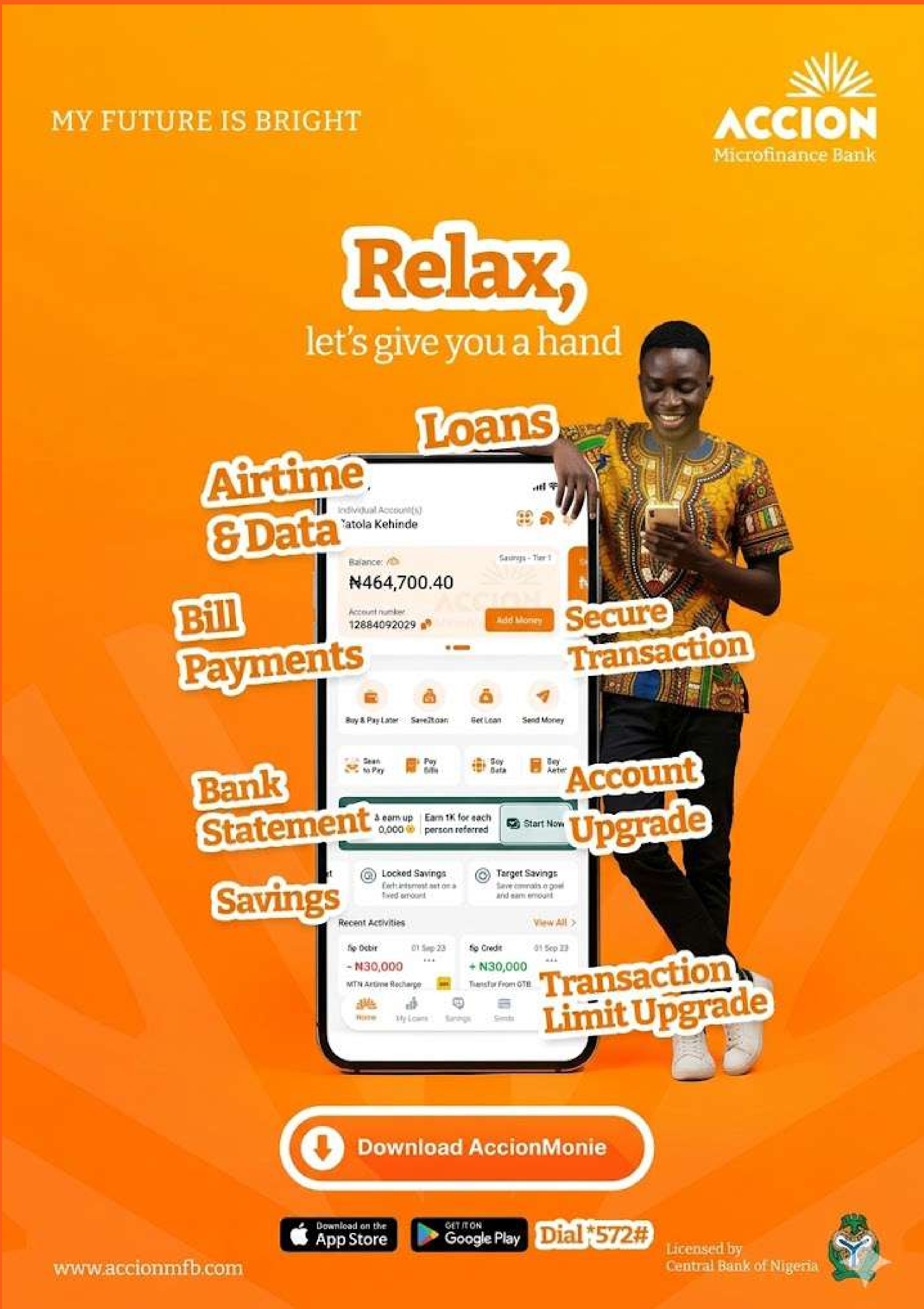
Appreciation

On behalf of the Board, I thank our shareholders for their confidence, our regulators for their guidance, our customers for their loyalty, and our partners for their continued collaboration.

I also commend the Management team and all employees for their dedication, professionalism and contribution to the Bank's performance in 2025.

Together, we will continue to strengthen Accion Microfinance Bank as a resilient, inclusive and sustainable institution, delivering lasting value to all stakeholders.

Christian Ruehmer
Board Chairman,
On behalf of the Board of Directors.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Loans
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Bill Payments
Secure Transaction
Bank Statement
Account Upgrade
Savings
Transaction Limit Upgrade
Individual Account(s)
Balance:
₦464,700.40
Account number
12884092029
Add Money
Buy & Pay Later
Save2Loan
Get Loan
Send Money
Earn 1K for each person referred
Start Now
Locked Savings
Target Savings
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Board of Directors

Christian Ruehmer
Chairman

Taiwo Joda
MD / CEO

Prof. Olayinka David-West
Member

Mark Adogah
Member

Gift Mahubo
Member

Brian Kuwik
Member

Edwin Ogbogu
Member

Yusuf Modibbo
Member

Joy Ojakovo
Member

Dr. Adeola Ogunyemi
Member

Board Audit & Compliance Committee

Joy Ojakovo
Chairperson

Gift Mahubo
Member

Mark Adogah
Member

Yusufu Modibbo
Member

Board Risk, Credit & Investment Committee

Yusufu Modibbo
Chairman

Joy Ojakovo
Member

***Brian Kuwik**
Member

Taiwo Joda
Member

Dr. Adeola Ogunyemi**
Member

*Ceased to be a member of theCommittee following his resignation as a Director effective March 31, 2025
** She became a member of the committe after the ad hoc boardmeeting held on December 5, 2026

Board Channels &Technology Committee

Gift Mahubo
Chairman

Prof. Olayinka David-West
Member

Edwin Ogbogu
Member

Taiwo Joda
Member

Board Governance Committee

Prof. Olayinka David-West
Chairperson

Mark Adogah
Member

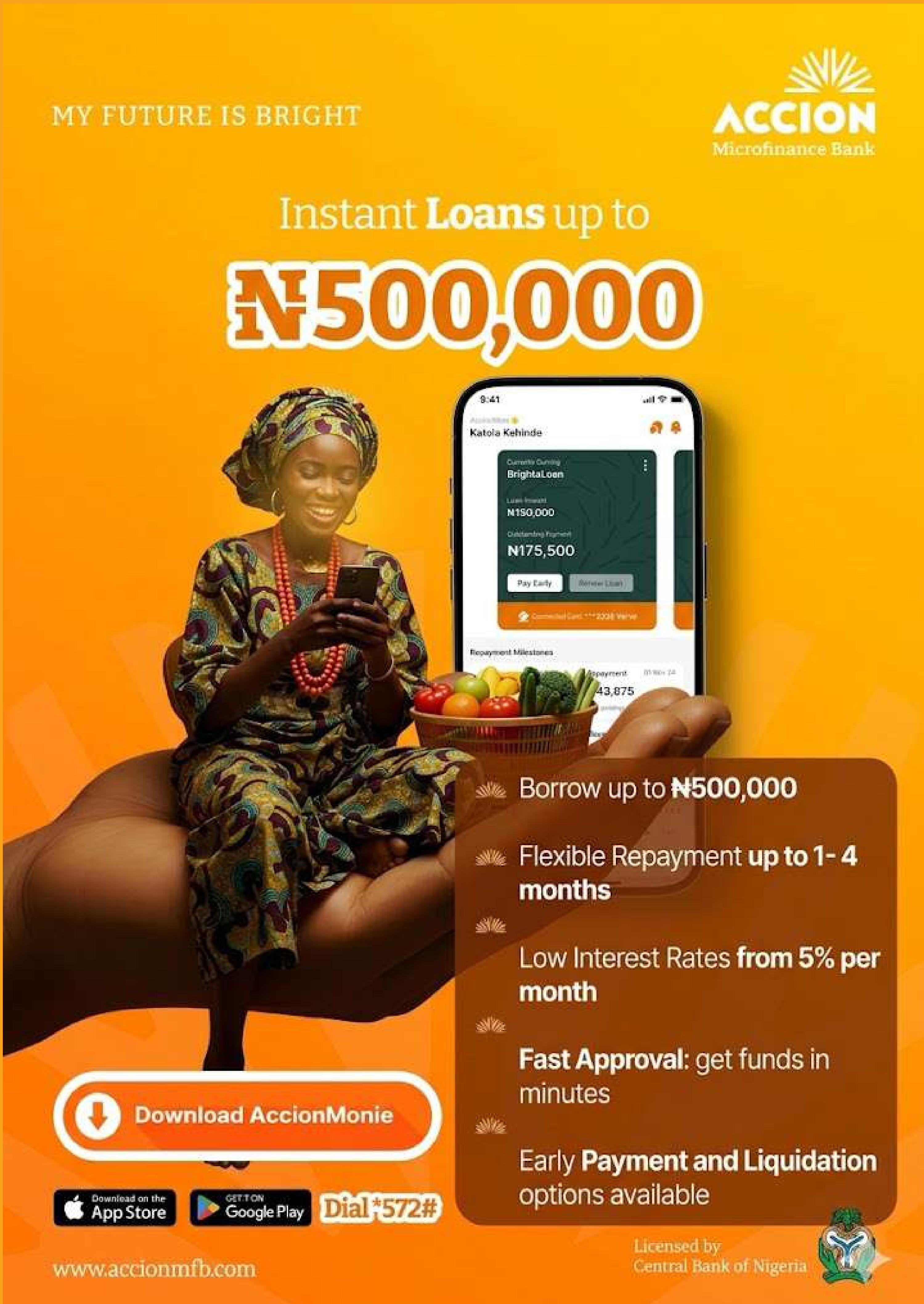
Brian Kuwik*
Member

Edwin Ogbogu
Member

Dr. Adeola Ogunyemi**
Member

*Ceased to be a member of the Committee following his resignation effective March 31, 2025.

** She became a member of the committe after the ad hoc boardmeeting held on December 5, 2026.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Katola Kehinde
BrightaLoan
N150,000
N175,500
Pay Early
Repayment Milestones
Borrow up to ₦500,000
Flexible Repayment up to 1- 4 months
Low Interest Rates from 5% per month
Fast Approval: get funds in minutes
Early Payment and Liquidation options available
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"One of our most significant achievements in 2025 was the improvement in portfolio quality, with PAR reducing from 8.9% to 4.6%, reflecting stronger credit discipline and execution.”

Innovating for Impact:
Scaling Access, Transforming Futures

Taiwo Joda
Managing Director / CEO

Dear Esteemed Shareholders, Distinguished Members of the Board, Regulators, Partners, Customers, Colleagues, Ladies and Gentlemen,

It is with sincere gratitude and a renewed sense of purpose that I welcome you to the 20th Annual General Meeting of Accion Microfinance Bank Limited. This milestone is more than a commemoration of time; it is a reflection of two decades of service, resilience, inclusion and impact. It is also an opportunity to reaffirm our commitment to the millions of entrepreneurs, households, women, young people and small businesses whose ambitions continue to define our purpose.

Our theme for the year, “Innovating for Impact: Scaling Access, Transforming Futures,” speaks directly to the responsibility we carry as a national microfinance bank. For us, innovation is not simply about technology. It is about removing barriers, improving access, creating income opportunities, deepening financial inclusion and building a more resilient institution capable of serving customers better, faster and more responsibly.

Operating Environment

The 2025 financial year was shaped by a demanding global and domestic environment. Globally, growth remained moderate amid geopolitical tensions, trade uncertainties, elevated public debt concerns and uneven disinflation across major economies. Domestically, Nigeria continued to adjust to major macroeconomic reforms, with businesses and households affected by high inflation, elevated interest rates, exchange rate volatility and rising operating costs. For the microfinance sector, these realities placed pressure on customers’ disposable income, repayment capacity and cost of doing business, while reinforcing the importance of responsible lending, strong deposit mobilisation, portfolio discipline, digital efficiency and strategic partnerships.

Against this backdrop, Accion Microfinance Bank remained focused on prudent execution. We balanced growth with risk management, expanded access to finance for productive activity, strengthened our customer engagement channels and continued to support underserved communities with practical financial solutions.

2025 Performance and Financial Strength

I am pleased to report that the Bank delivered a strong performance in 2025, reflecting the resilience of our business model and the discipline of our execution. Gross earnings increased to N11.58 billion, supported by growth in lending activity, improved revenue generation and sustained customer engagement. Profit before tax stood at N1.82 billion, while profit after tax closed at N1.03 billion. This performance demonstrates our ability to remain profitable and relevant despite a challenging operating environment.

Our balance sheet also strengthened significantly. Total assets grew to N29.54 billion, loans and advances to customers increased to N23.73 billion, and customer deposits closed at N11.27 billion. Shareholders’ funds stood at N7.77 billion, comfortably above the regulatory minimum capital requirement for national microfinance banks. These results reflect stronger business momentum, improved customer confidence and the Bank’s continued capacity to support micro, small and medium enterprises across our markets.

The Bank also continued to create value for shareholders. In line with the improved performance, a dividend of 35 kobo per share has been recommended for shareholders’ approval. This reflects our commitment to balancing shareholder return with the capital required to support sustainable growth.

2025 Performance and Financial Strength

One of the most important achievements of the year was the significant improvement in portfolio quality. PAR 1 day reduced from 8.9% in 2024 to 4.6% in 2025, bringing the Bank below the applicable regulatory benchmark and marking a strong improvement in credit discipline. This outcome was driven by tighter portfolio monitoring, improved recovery focus, better field execution and stronger accountability across the credit value chain.

In 2025, Accion Microfinance Bank was also rated 'A-' by DataPro. This rating reflects the Bank's solid financial performance, strong liquidity position and capacity to meet its ongoing obligations. During the year, we also strengthened our funding options with the announcement of a N5 billion Commercial Paper programme, including a N2.02 billion Series 1 issuance quoted on the FMDQ Exchange. These developments demonstrate growing market confidence in the Bank and provide additional flexibility to support working capital and business growth.

Innovation, Digital Execution and Partnerships for Impact

Our transformation agenda in 2025 was guided by a recalibrated digital execution strategy focused on leadership, speed, efficiency and customer impact. We continued to use digital tools to simplify access, improve service delivery, strengthen operational control and create more convenient channels for customers. Key initiatives included improved USSD onboarding, stronger digital customer engagement, merchant banking capabilities, digital lending enhancements, workflow automation and continued optimisation of platforms that support execution and internal control.

We also strengthened partnerships that translate innovation into practical impact. Through our collaboration with Gamma Mobility, the Nigeria Consumer Credit Corporation and Simba TVS, we supported affordable asset financing for tricycles and motorcycles, particularly under the Queen Rider programme. The initiative is designed to enable beneficiaries, especially women, to access income-generating mobility assets for commercial use without the burden of upfront acquisition costs. With CREDICORP providing capital, Accion Microfinance Bank managing loan origination and administration, and Gamma Mobility facilitating access to locally assembled mobility assets through Simba TVS, the programme aligns strongly with our commitment to women's economic empowerment, productive credit and inclusive growth.

The Queen Rider programme's ambition to empower thousands of women across Nigeria, including expansion into locations such as Port Harcourt, Ondo, Kano and Kaduna, reflects the kind of partnership-led model needed to deepen financial inclusion. Beyond mobility, we also advanced our partnership with the National Association of Microfinance Banks and Water.org on WASH lending, supporting access to finance for water, sanitation and hygiene-related needs. This initiative reinforces our belief that microfinance must improve not only livelihoods, but also health, dignity and household resilience.

Expanding Access and Customer Reach

During the year, we continued to serve customers across our national footprint and deepen our support for micro and small enterprises. The Bank disbursed 31,130 loans with total disbursement volume of N56.78 billion, supporting working capital, household productivity and business expansion across key sectors. We also served more than 337,000 savers and customers across nearly 699,000 accounts, demonstrating the continued relevance of our services to individuals, entrepreneurs and communities.

To improve accessibility, the Bank expanded its physical network with the addition of three new branches in Ilorin, Kaduna and

Kano. These locations strengthen our presence in important markets and support our commitment to reaching more customers through both physical and digital channels.

Our People and Culture

Our people remain central to our progress. In 2025, we continued to invest in talent, leadership development, performance recognition and a culture of accountability. The promotion exercise for the year reflected our commitment to merit, talent retention and leadership growth, with 181 employees, representing over 21% of the workforce, receiving promotions or notch increases. This investment in our people is an investment in service quality, institutional memory and future capability.

We also continued to strengthen staff engagement, learning and development, regulatory awareness, cybersecurity consciousness, customer experience and leadership capability. I thank every member of staff for their professionalism, resilience and commitment to our customers and mission. The achievements recorded in 2025 were made possible by your dedication.

Corporate Social Responsibility and Recognition

Beyond financial inclusion, we continued to live our mission through responsible corporate citizenship. During the year, the Bank supported educational development through the donation of books to Aiyetoro School Library, participated in regional and bank-wide environmental clean-up campaigns, promoted sustainability through eco-friendly tote bags, and organised a free health check-up programme for women in Lagos in commemoration of International Women's Day 2025.

Our progress was further recognised through several awards and commendations, including Most Innovative Microfinance Bank Nigeria 2025, Best Corporate Social Responsibility Initiative Nigeria 2025, MSME Microfinance Bank of the Year, and MSME Microfinance Bank CEO of the Year. I was also honoured with the Best CEO of the Year Nigeria 2025 award by Global Business and Finance Magazine and an Award of Excellence from NAMB. We receive these recognitions as encouragement to keep
expanding access, empowering people and building a more inclusive future.

Looking Ahead

As we look ahead, our priority is to build on the progress recorded in 2025 while remaining disciplined in execution. We will continue to grow responsibly, deepen customer deposits, expand access to productive credit, improve portfolio quality, accelerate digital adoption, strengthen partnerships and enhance operational efficiency. We will also continue to invest in governance, risk management, cybersecurity, people capability and customer experience as essential foundations for sustainable growth.

The next phase of our journey will require focus, agility and innovation with purpose. We are confident that Accion Microfinance Bank is well positioned to scale access, support more businesses, empower more women and households, and deliver long-term value to shareholders and stakeholders.

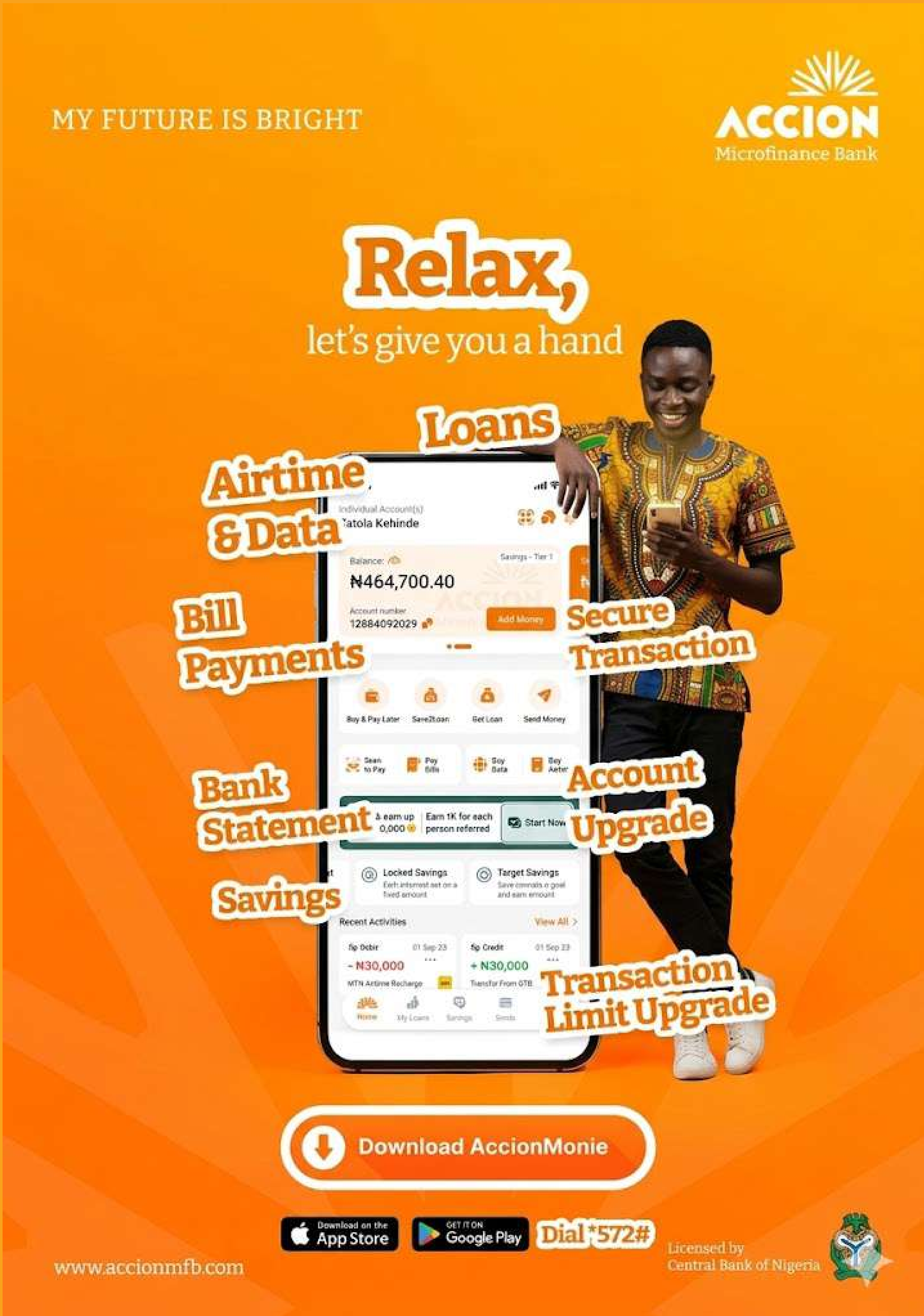
Appreciation

On behalf of Management, I express my sincere appreciation to our Board of Directors for their guidance, oversight and strategic support. I thank our shareholders for their continued confidence, our regulators for their guidance, our customers for their loyalty, and our partners for their collaboration. I also thank my colleagues across the Bank for their commitment to excellence and service.

As we mark our 20th Annual General Meeting, we do so with gratitude for how far we have come and confidence in the future we are building. Together, we will continue to innovate for impact, scale access and transform futures.

Thank you.

Taiwo Joda
Managing Director/Chief Executive Officer
Accion Microfinance Bank Limited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Taiwo Joda
Managing Director/CEO

Ugochi Okafor
Head, Human Resources

Adeola Adebisi
Chief Finance Officer

Stephen Olalere
Chief Commercial Officer

Management Team

Ayodeji Medude
Group Head, Operations

Oluwatosin Aoko
Head Legal / Company Secretary

Kazeem Bisiriyu
Chief Risk & Compliance Officer

Moses Idehen
Chief Technology Officer

Emeka Uzowulu
Regional Bank Head, Lagos 2

Amaechi Madu
Regional Bank Head, SS/SE

Oluwole Oyedele
Head Internal Audit

Afolasade Odunlami
Head, Financial & Regulatory Reporting

Yewande Faleyimu
Regional Bank Head, Lagos 1

Adeoye Adeniyi
Regional Bank Head-South West

Bridget Oghenerabome
Chief Information Security Officer

Peter Okordion
Head, Business Transformation and Inovation

Omoyeni Melia
Head, Learning & Development

Financial Highlights 2025

Profit After Tax
N1.03b

Number of Loan Disbursed
31,233

Capital Adequacy
28%

Deposit
N11.3 Billion

Number of Savers
404,671

Total Loan Disbursed
N56.8 Billion

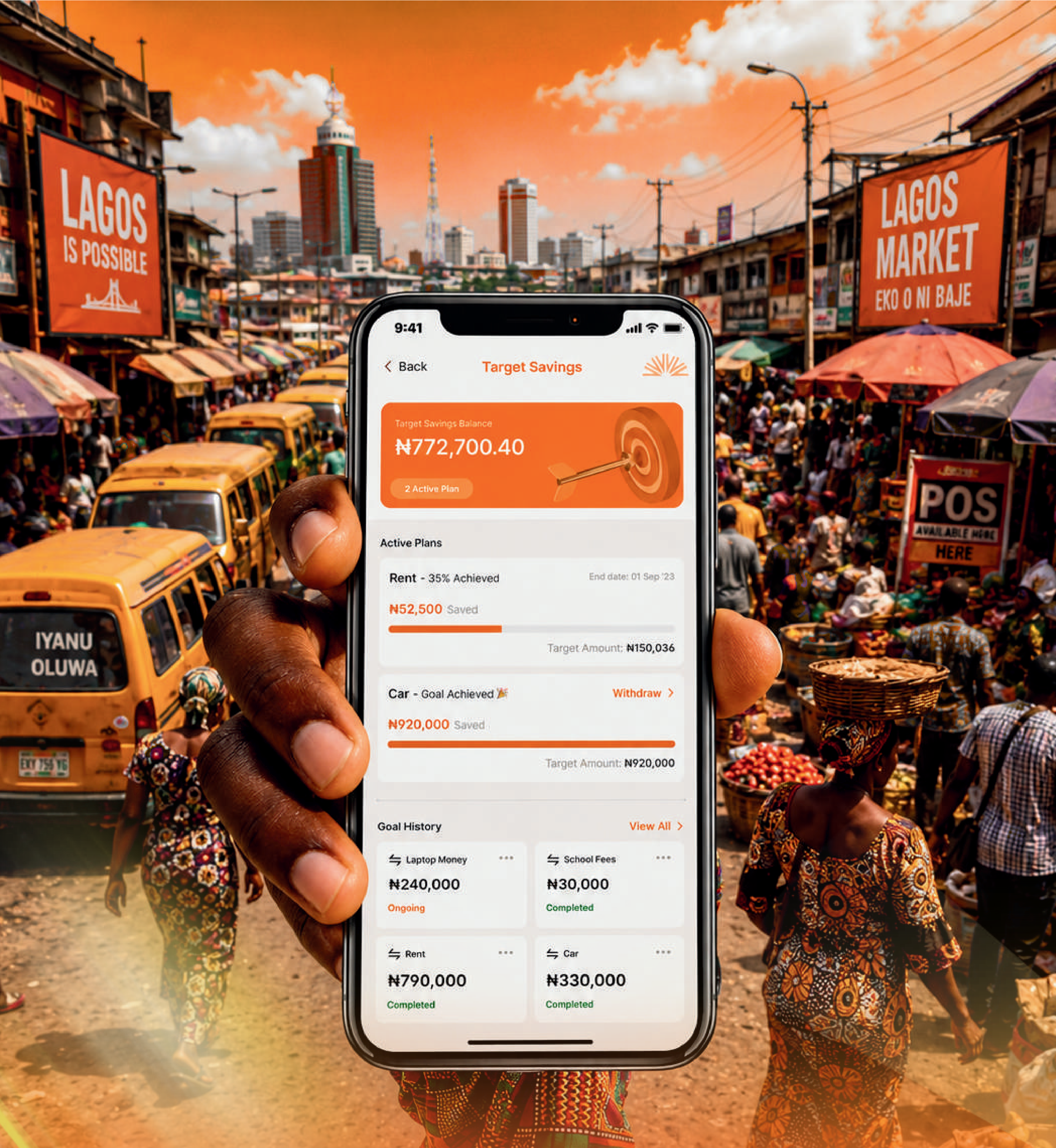
Total Assets
N29.5 Billion

Portfolio
N23.7Billion

Return on Equity
13.2%

Liquidity Ratio
30.4%

Return on Assets
3.5%



ADVANCING OUR DIGITAL JOURNEY THROUGH **IMPACT** AND TRANSFORMATION

Accion Microfinance Bank advanced its transformation agenda by leveraging innovation as a strategic driver of inclusion, efficiency, customer experience, and sustainable growth. The Bank remained focused on building simpler, more accessible, and more responsive financial solutions, while strengthening the internal systems required to scale impact.

Across digital channels, merchant services, customer engagement, lending innovation, and operational optimisation, the Bank made significant progress in translating strategy into measurable value.

Expanding Access Through Digital Channels

The Bank prioritised widening entry points into the financial system by simplifying how customers begin their journey.

Enhancements to the USSD onboarding process introduced a more intuitive, accessible pathway for account creation, particularly for customers with limited access to smartphones or internet services. By enabling phone number-based onboarding linked to national identity systems, the Bank reduced friction and accelerated adoption.

Expanded USSD functionality further enabled customers to perform essential transactions seamlessly, reinforcing access to banking services across diverse segments.

Enhancing Customer Journeys Through Digital Experience

To improve how customers interact with the Bank, the digital experience was reimagined across key platforms.

The Bank's website transformation introduced a cleaner, more responsive interface that improved navigation, product visibility, and onboarding flows. This ensured that customers could move effortlessly from discovery to engagement, strengthening the Bank's digital presence as a primary access channel.

Strengthening Merchant and Payments Capability

The Bank strengthened its position within the payments landscape by advancing its merchant banking capabilities.

Through enhanced digital onboarding, transaction monitoring tools, and improved settlement processes, the Bank created a more efficient and transparent merchant ecosystem. These improvements reduced operational complexity while enabling better service delivery for business customers.

This ecosystem continues to serve as a key driver of transaction growth and revenue diversification.

Reimagining Customer Engagement and Service Delivery

Recognising the importance of accessibility and convenience, the Bank introduced more intuitive ways for customers to engage.

The rollout of a conversational banking channel via WhatsApp enabled real-time interaction in a familiar environment. This approach improved responsiveness, reduced reliance on traditional service channels, and aligned service delivery with evolving customer behaviour.

Turning Community Engagement Into Structured Impact

Beyond digital platforms, the Bank expanded its reach through structured community engagement.

The introduction of a Community Impact Platform enabled more coordinated outreach to underserved populations, supporting SME onboarding, facilitating access to finance, and tracking engagement outcomes. This initiative strengthened the Bank's ability to deliver targeted financial solutions at the grassroots level.

Enabling Smarter Financial Behaviours

The Bank introduced a suite of customer-focused solutions designed to drive engagement, retention, and financial discipline.

Digital savings and engagement products such as Spend & Save, Save2Loan, and Refer & Earn were introduced. With these, customers were empowered to build stronger financial habits while accessing broader opportunities within the Bank's ecosystem.

These solutions contributed to increased customer activity, improved deposit mobilisation, and stronger portfolio growth.

Advancing Digital Lending and Credit Inclusion

A notable achievement in the Bank's lending transformation journey was the integration and rollout of GIGMile/GIGpremier, a digital lending platform designed to expand access to quick and convenient loans, especially for gig workers and other underserved customer segments.

Through this platform, eligible customers could access instant loan offers, complete applications digitally, and receive faster disbursement with reduced friction.

The solution also supported lending for mobility assets such as minibuses, tricycles, and motorcycles, while leveraging alternative data and digital footprints for credit assessment. This enabled the Bank to expand credit inclusion, improve turnaround time in lending, and better serve emerging workforce segments whose financial needs may not fit traditional lending models.

Enhancing Internal Efficiency and Operational Resilience

Sustainable innovation was supported by continuous improvements to the Bank's internal systems.

Enhancements to operational platforms such as Octopus, improved system reliability, workflow efficiency, and data visibility. These upgrades strengthened governance, enhanced reporting accuracy, and ensured that the Bank's infrastructure remains resilient as it scales.

LOOKING AHEAD

As Accion Microfinance Bank continues its transformation journey, the focus remains on deepening impact through innovation that is practical, inclusive, and scalable.

By building on these foundations, the Bank is well-positioned to extend its reach, strengthen its capabilities, and continue transforming futures through access-driven innovation.

Engineering the Future of Banking Experience

Building on the digital foundation established in previous years, the Bank continued to advance its Information Technology and Digital Transformation agenda, with a focus on strengthening infrastructure, enhancing security, and enabling more customer-centric service delivery.

Our approach was guided by a clear objective: to embed technology at the core of business growth, operational excellence, and customer experience. Rather than treating digital as a support function, we positioned it as a key driver of value creation across the organisation.

This direction reflects our broader ambition to operate as a digitally enabled, insight-driven microfinance institution, capable of responding quickly to market shifts while maintaining the highest standards of security, compliance, and reliability.

Strategic Focus

1 Seamless Digital Banking Experience

Enhancing how customers interact with the Bank through intuitive, accessible, and reliable digital channels.

2 Security, Compliance & Trust

Strengthening data protection, identity management, and regulatory alignment to safeguard customer assets and information.

3 Resilient Infrastructure & Continuity

Building a robust and scalable technology environment that ensures high availability, performance, and business continuity.

4 Operational Efficiency & Governance

Driving internal efficiency through systems that improve transparency, accountability, and process optimization.

STRATEGIC INTENT IN ACCION

These priorities informed a series of targeted initiatives across digital banking, infrastructure, cybersecurity, and enterprise systems. Collectively, they enabled us to deliver improved service reliability, enhanced customer engagement, and stronger institutional resilience.

EXECUTION & KEY INITIATIVES

DRIVING TRANSFORMATION THROUGH TECHNOLOGY EXECUTION

1. Advancing Digital Banking & Service Delivery

In 2025, we continued to deepen our digital banking capabilities to meet evolving customer expectations and expand financial inclusion.

We enhanced the AccionMonie mobile application with additional self-service savings features, including Target Savings and Locked Savings, enabling customers to better plan, manage, and grow their finances independently.
In parallel, we upgraded our USSD banking platform to align with regulatory updates and evolving customer needs, ensuring uninterrupted access to banking services across both smartphone and feature phone users.

These improvements reinforced our commitment to accessible, inclusive, and customer-driven digital banking experiences.

2. Strengthening Information Security & Compliance

As digital adoption increases, so does the need for stronger security frameworks. During the year, we made significant advancements in safeguarding our systems and customer data.

We achieved PCI-DSS certification, reaffirming our compliance with global standards for secure payment processing and data protection. This milestone strengthens customer trust and enhances the integrity of our digital transaction ecosystem.
Additionally, we implemented Multi-Factor Authentication (MFA) across critical systems and platforms, significantly improving identity verification, reducing unauthorized access risks, and reinforcing our cyber defence posture.

These initiatives collectively ensured that our digital growth remains anchored on trust, security, and regulatory compliance.

3. Enhancing IT Infrastructure & Business Continuity

To support increasing digital demand and ensure service reliability, we executed key infrastructure upgrades across the Bank.

We deployed Network Access Control (NAC) and Mobile Device Management (MDM) solutions, improving endpoint security, network visibility, and device governance across the organisation.

In addition, we conducted comprehensive disaster recovery and system failover tests, validating our ability to maintain uninterrupted service delivery in the event of disruptions. These exercises provided assurance of our operational resilience and readiness.
Through these efforts, we strengthened the Bank's ability to operate securely, efficiently, and without interruption in a rapidly evolving digital environment.

4. Driving Governance, Controls & Operational Efficiency

We continued to enhance internal processes and governance frameworks through the deployment of enterprise systems designed to improve control, transparency, and efficiency.

A key initiative was the implementation of an enterprise-wide Learning Management System (LMS), enabling structured staff training, continuous learning, and regulatory

capacity development across the organisation.
We also deployed a Policy Management System, centralising policy documentation, improving version control, and strengthening compliance monitoring and audit traceability.

In addition, the introduction of a Fixed Asset Management System improved asset tracking, lifecycle management, and financial reporting accuracy.
These systems collectively strengthened our internal control environment and ensured that our operations remain efficient, compliant, and scalable.

IMPACT, VALUE & OUTLOOK

Translating Technology into Measurable Impact
Beyond implementation, our focus remains on ensuring that every technology investment delivers tangible value to both customers and the organisation.

Customer Impact
Our digital initiatives have significantly improved the overall customer experience by:

Business Impact

From an institutional perspective, these initiatives have:

Technology as a Growth Enabler

Technology continues to play a central role in enabling the Bank's strategic growth objectives. By strengthening our digital infrastructure and expanding our service capabilities, we are better positioned to scale operations, reach underserved markets, and deliver innovative financial solutions.

Looking Ahead: Scaling Digital Excellence

As we move forward, our focus will be on deepening our digital capabilities and accelerating innovation across all touchpoints.

Key priorities include:

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Driving Execution.
Delivering Impact.
Enabling Growth.

Through effective coordination, the Project Management Office (PMO) supported the successful delivery of initiatives aligned with the Bank's strategic priorities and long-term growth objectives..

Throughout the year, the PMO successfully delivered a portfolio of high-impact projects spanning digital transformation, business expansion, capital mobilisation, and community engagement. These initiatives were instrumental in advancing the Bank's strategic priorities and reinforcing its position as a forward-looking, growth-driven institution.

Despite a dynamic operating environment characterised by tight timelines, resource constraints, and complex stakeholder coordination, the PMO demonstrated strong execution discipline, adaptability, and resilience. Through structured planning, proactive risk management, and cross-functional collaboration, projects were delivered successfully and in alignment with organisational objectives.

Strategic Execution Focus

The PMO's activities during the year were anchored on four key areas:

The bank has set up an Integrated Management System (IMS) that has made its main management processes, like quality, environmental, and information security systems,
work better together and meet global standards. As a result, the bank is now proudly certified in ISO 27001, ISO 20000, ISO 22301, PCI-DSS, and PRINCE2. These certifications affirm our strong commitment to excellence, security, and resilience, reinforcing our promise to deliver high-quality services that consistently meet customer
needs and regulatory expectations.

Project Value

- Digital Enablement & Workforce Development
- Market Expansion & Customer Access
- Capital Mobilisation & Financial Strength
- Community Impact & Financial Inclusion

These focus areas ensured that project delivery was not only efficient but also directly aligned with business growth and long-term sustainability.

KEY PROJECT HIGHLIGHTS

1. Strengthening Workforce Capability through Digital Learning

Learning Management System (LMS)

A major milestone during the year was the successful implementation of a **Learning Management System (LMS)**, designed to digitize and centralise staff training across the organisation.

The platform provides a flexible, web-based and mobile-accessible learning environment, enabling employees to access training resources anytime and from any location. This initiative has significantly improved how the Bank develops talent, ensuring continuous learning and skill enhancement across all levels.

Beyond efficiency, the LMS has transformed training delivery—reducing reliance on physical sessions, lowering costs, and improving knowledge retention and employee engagement.

Impact

- Improved workforce productivity through continuous learning
- Increased accessibility to training across all locations
- Reduced training costs and administrative inefficiencies
- Strengthened institutional capability and performance

2. Expanding Market Presence and Customer Reach

Branch Expansion Initiative

As part of the Bank's national expansion strategy, three new branches were successfully launched in **Ilorin, Kaduna, and Abuja**, marking a significant step in extending the Bank's physical presence.

These locations were strategically selected to improve accessibility, deepen customer engagement, and strengthen the Bank's footprint in key growth markets. Each branch was fully integrated into the Bank's digital and operational ecosystem, ensuring seamless service delivery from inception.

Impact

- Expanded geographic reach and customer base
- Improved access to financial services in underserved regions
- Enhanced deposit mobilisation and lending opportunities
- Strengthened brand visibility and market positioning

3. Strengthening Financial Capacit y through Capital Market Access.

Commercial Paper Programme

To support liquidity and drive lending capacity, the Bank initiated a **N5 billion Commercial Paper (CP) Programm**e, executed in phases within the Nigerian debt capital market.
Phase 1 of the programme was successfully completed, raising over **N2 billion from investors**, slightly oversubscribed—demonstrating strong investor confidence in the Bank's financial strength and strategic direction.

The programme involved extensive coordination across regulatory bodies, financial advisers, and capital market stakeholders, showcasing the PMO's ability to manage complex, multi-stakeholder initiatives.

Impact

- Strengthened liquidity and funding capacity
- Diversified funding sources beyond traditional deposits
- Enhanced credibility and visibility in the capital market
- Positioned the Bank for subsequent funding phases

4. Advancing Financial Inclusion through Community-Based Banking

Community Impact Initiative

In line with the Bank's commitment to financial inclusion, the PMO successfully executed a Community Impact Project aimed at extending banking services to under-served populations.

This initiative introduced a digitally enabled, paperless service model, supported by mobile devices and the Bank's application, allowing Community Impact Officers to deliver financial services directly within local communities.

Currently piloted across five states, the initiative has improved access to savings, loans, payments, and other financial services, particularly for micro-entrepreneurs and small businesses.

Impact

- Expanded financial inclusion at the grassroots level
- Increased adoption of digital banking services
- Strengthened community engagement and trust
- Supported economic empowerment and small business growth

EXECUTION EXCELLENCE

The successful delivery of these initiatives reflects the PMO's commitment to operational excellence and continuous improvement.

Throughout the year, the PMO:

- Strengthened project governance and oversight
- Improved stakeholder alignment and collaboration
- Enhanced risk management and execution frameworks
- Delivered projects within defined timelines and strategic priorities

Challenges encountered—including integration complexities and resource constraints—were effectively managed, serving as opportunities to refine processes and build a more resilient project delivery framework.

LOOKING AHEAD

As the Bank continues its growth trajectory, the PMO remains focused on strengthening its role as a strategic enabler of transformation.

Key priorities for the coming year include:

- Enhancing project delivery frameworks and governance structures
- Leveraging technology to improve execution efficiency
- Strengthening stakeholder engagement across all project phases
- Supporting the Bank's expansion, innovation, and digital transformation agenda

SAFEGUARDING TRUST IN A DIGITAL-FIRST ENVIRONMENT

In 2025, our Information Security function remained central to sustaining trust, ensuring regulatory compliance, and protecting the integrity of our digital ecosystem.

As the Bank continues to expand its digital capabilities and customer reach, the importance of a strong, resilient, and proactive security framework has become even more critical. Our approach during the year was focused on strengthening security governance, enhancing threat resilience, and embedding a culture of security awareness across the organisation.

Through continuous investment in systems, processes, and people, we ensured that our information assets—spanning customer, employee, and operational data remained secure, compliant, and well-governed.

Strengthening Security Governance and Compliance

Maintaining compliance with global standards and regulatory requirements remained a top priority during the year.

The Bank sustained alignment with key international and local frameworks, including:

- ISO 27001 (Information Security Management)
- ISO 22301 (Business Continuity Management)
- ISO 20000 (IT Service Management)
- Nigeria Data Protection Act (NDPA)
- PCI-DSS (Payment Card Industry Data Security Standard)

This was achieved through continuous policy reviews, system audits, and control assessments to ensure that our security posture evolves alongside emerging risks.

Importantly, the Bank recorded zero regulatory sanctions related to information security, reflecting the strength of our governance framework and compliance discipline.

Embedding a Security-First Culture

Recognising that effective security extends beyond technology, we prioritised building a strong security culture across all stakeholder groups.

Throughout the year, we conducted continuous information security awareness programmes targeting:

- Employees across all departments
- Customers
- Vendors and third-party partners
- Members of the Board

These initiatives were designed to reduce insider-related risks, improve vigilance, and ensure that all stakeholders understand their role in safeguarding the Bank's information assets.

Data Protection and Privacy Assurance

Protecting personal and sensitive data remains a core responsibility of the Bank. During the year:

- All data processing activities were conducted in line with applicable regulatory requirements
- Personal data of customers, staff, guarantors, and vendors were securely handled
- Data subject requests were processed within statutory timelines

These efforts reinforce our commitment to privacy, transparency, and accountability in how data is managed across the organisation.

Risk Landscape and Security Response

Understanding the Threat Environment

As digital adoption increases, so does exposure to evolving cyber threats. During the year, key risk areas identified included:

- Phishing and social engineering attacks
- Insider data misuse
- Unauthorized system access
- System disruptions arising from cyber incidents
- Third-party and vendor-related data exposure

These risks reflect both global cybersecurity trends and the specific operational realities of a digitally expanding financial institution.

Strengthening Risk Mitigation and Control Measures

To address these risks, the Bank implemented a comprehensive set of security controls designed to prevent, detect, and respond to threats effectively.

Key measures included:

- Deployment of advanced antimalware and system protection tools
- Implementation of role-based access controls to restrict unauthorized access
- Introduction of multi-factor authentication for critical systems
- Strengthening backup and recovery mechanisms to ensure business continuity
- Enhanced vendor due diligence processes and data protection clauses

These controls have significantly improved the Bank's ability to manage risks proactively while ensuring operational resilience.

Impact and Value Delivered

Our information security initiatives during the year delivered measurable value across both customer and business dimensions.

Customer Impact

- Increased confidence in the safety and reliability of digital banking services
- Enhanced protection of personal and financial data
- Reduced exposure to fraud and cyber-related risks

Business Impact

- Strengthened regulatory compliance and audit readiness
- Reduced risk exposure across digital and operational environments
- Improved resilience against cyber threats and operational disruptions
- Enhanced reputation as a secure and trusted financial institution

Looking Ahead

As we continue to scale our digital operations, our focus remains on advancing our information security capabilities to stay ahead of emerging threats.

Key priorities include:

- Enhancing real-time threat detection and response capabilities
- Strengthening identity and access management frameworks
- Deepening security awareness and training across all stakeholders
- Expanding security integration across digital platforms and partnerships


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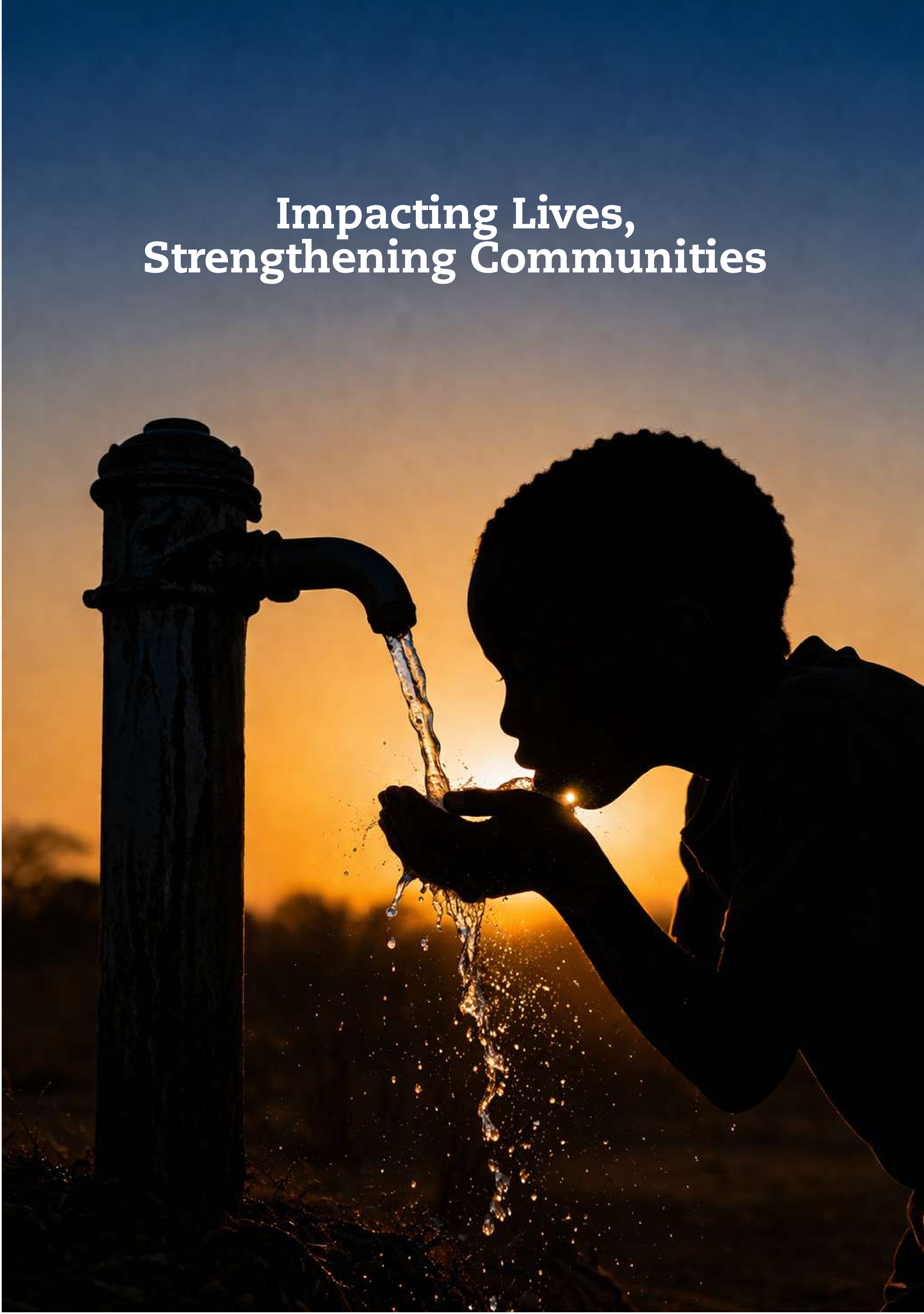
Impacting Lives, Strengthening Communities



Expanding Access to Essential HealthCare

Accion Microfinance Bank strengthened its commitment to women's empowerment through a health-focused outreach in Ikotun, where over 100 women received free medical screenings and wellness education.

The initiative improved access to essential healthcare services and promoted greater awareness of preventive health practices.

The outreach reflects the Bank's broader commitment to advancing women's wellbeing and supporting inclusive, community-based development.

Empowering Learning, Shaping Futures

As part of our Corporate Social Responsibility (CSR) efforts, Accion MfB supported learning at Aiyetoro Primary School, Akoka, through the donation of textbooks, story-books, and essential educational materials.

This initiative helped address resource gaps, enhance classroom engagement, and promote a culture of reading among pupils.

By improving access to quality learning tools, the Bank continues to empower young learners and reinforce its commitment to education as a foundation for long-term growth and opportunity.

Supporting Cleaner, Healthier Communities

To commemorate World Environment Day, the Bank conducted a market clean-up initiative focused on reducing plastic waste in a busy local market.

The activity addressed the environmental impact of single-use plastics while promoting cleaner, safer public spaces.

This initiative reinforces the Bank's commitment to environmental sustainability and community wellbeing, demonstrating how collective action can drive meaningful and lasting impact.

In The Market For The People

Bringing Banking Closer to Every Entrepreneurs

Through strategic market activations across major trading communities, we engaged directly with small business owners and traders, expanding awareness and access to financial solutions.

By engaging customers within the heart of their business environments, Accion MfB continues to strengthen relationships, expand access, and deliver meaningful impact where it matters most.

CUSTOMER TESTIMONIAL

Financing Growth, Building Enduring Partnerships

ANSLEM ANAETO:
ENTREPRENEUR

For many entrepreneurs, access to consistent financing is the difference between stagnation and growth. For Anslem Anaeto, it has been the foundation of a long-standing business journey supported by Accion Microfinance Bank.

Starting with an initial loan of **N300,000**, he has, over the years, expanded his motorcycle and spare parts business from a modest operation into multiple outlets, supported by increasing levels of financing aligned with his growth.

“If it wasn’t working, I wouldn’t have stayed this long,” he noted.

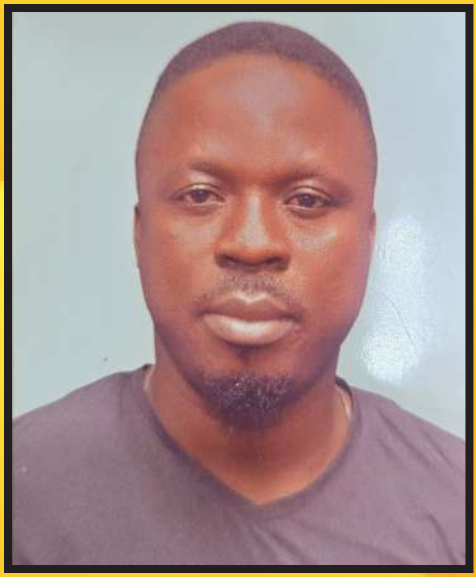
His experience reflects more than access to funding, it speaks to a trusted partnership built over time, one that has not only supported his business but also earned his loyalty and advocacy through multiple referrals.

MURTALA VINCENT:
ENTREPRENEUR

In a fast-moving business environment, access to timely financing can unlock new opportunities and redefine growth potential. For Murtala, this support came at a critical point in his business journey.

Initially operating within the limits of local trading, he accessed financing from Accion Microfinance Bank that enabled him to expand his operations, including transitioning into direct importation and improving overall business capacity.

“Now, we import directly and operate at a much better level,” he explained.
His experience remains a testament to the role of accessible financing in driving business expansion and strengthening long-term growth.



AUSTIN JOSEPH:
ENTREPRENEUR
Seeking to strengthen and expand his operations, Austin Joseph turned to Accion Microfinance Bank after learning about its services through a market outreach initiative.

Through the Bank's SME loan facility, he has accessed financing multiple times, with his current facility supporting his business at a larger scale and enabling more efficient operations.

His experience reflects growing confidence in the Bank's ability to meet his business needs, particularly in comparison to other financial institutions.

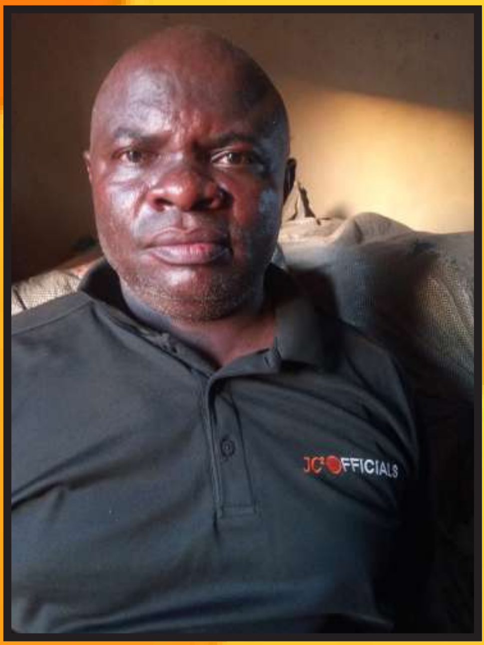
"Accion is the best," he remarked, acknowledging the value of the support he has received.

Financing the Future of Small Businesses

SULAIMON TUNDE AMOO:
ENTREPRENEUR
Growing a business requires not only effort but access to the right financial support. For Sulaimon, Accion Microfinance Bank has played a key role in enabling that growth.

Over the past five to six years, consistent access to financing has supported the expansion of his meat supply business, helping him transition from operating in a rented space to owning his own shop.

"Accion is a very good bank. Their loan rates are fair," he shared.



Tochukwu Uzowuru - ENTREPRENEUR

Tochukwu Uzowuru began his business journey with a small shoe trade, operating from a single shop and seeking opportunities to grow. Introduced to Accion Microfinance Bank through a door-to-door market outreach, he accessed his first loan in 2017, marking the beginning of a steady growth journey.

With consistent access to financing, his business expanded beyond shoes, and, over time, into transport operations, including coaster services. Today, he operates a warehouse and manages multiple business lines, supported by improved capacity and scale.

He also sources goods from different locations, strengthening his supply chain and broadening his market reach.

Supporting Resilience in Times of Need

STELLA IKHIDE:
ENTREPRENEUR

In business, unexpected challenges can disrupt operations and threaten progress. For Stella Ikhidir, this moment came when an incident led to financial strain and uncertainty in her business.

During this period, support from Accion Microfinance Bank played a critical role in helping her stabilise and move forward. Through timely intervention, the Bank provided relief that enabled her to recover and refocus on her business.

"You people really tried. I know what the Bank did for me during that time," she shared.

With renewed stability, her business has continued to grow, moving from smaller supply volumes to handling larger-scale transactions.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EMPOWERING OUR PEOPLE TO DRIVE LASTING IMPACT: 2025 Overview

Our Values

At Accion Microfinance Bank, our people remain central to our success and long-term sustainability. Guided by our core values of Integrity, Customer Service, Leadership, Innovation, and Teamwork, we continue to foster a culture built on accountability, collaboration, and excellence.

These values shape how we engage with one another, serve our customers, and deliver on our strategic objectives, reinforcing a workplace environment defined by trust, inclusion, and shared purpose.

Workforce and Talent Management

During the year, the Bank maintained a workforce of 819 employees, with a gender balance of 53% female and 47% male, reflecting our commitment to building a diverse and inclusive organisation.

We continued to invest in attracting, developing, and retaining talent, recognising that our people are critical to sustaining growth and delivering impact. Through structured development initiatives and continuous learning opportunities, employees were equipped with the skills and capabilities required to thrive in a dynamic and evolving business environment.

Diversity, Equity & Inclusion (DEI)

We remain committed to fostering a workplace that embraces diversity and promotes equity and inclusion across all levels of the organisation. By creating an environment where different perspectives are valued and respected, we continue to strengthen collaboration, drive innovation, and enhance overall organisational effectiveness.

Employee Engagement and Retention

Employee engagement remained a key priority during the year, supported by structured communication platforms and initiatives designed to strengthen alignment and trust across the organisation.

Our annual review process resulted in the promotion of 171 employees, representing approximately 21% of the workforce, demonstrating our strong commitment to merit-based growth and performance excellence.

Engagement levels remained strong, with an Employee Net Promoter Score (eNPS) exceeding 60, reflecting a highly motivated and committed workforce.

In addition, key cultural initiatives such as International Women's Day, Customer Service Week, and Quarterly Town Halls provided opportunities for connection, recognition, and engagement, further strengthening our organisational culture.

Organizational Performance and Employee Well-being

The Bank continued to enhance organisational performance and employee well-being through targeted initiatives focused on growth, recognition, and support.

These efforts included strengthening succession planning frameworks, building leadership pipelines, and creating opportunities for employees to develop professionally and advance within the organisation. We also maintained a supportive work environment that promotes well-being, encourages collaboration, and enables employees to perform at their best.

Looking Ahead

In 2025, we aim to further integrate people strategy with business goals—focusing on future-ready skills, inclusive leadership, and employee experience. We are committed to cultivating a workplace where every individual feels valued, supported, and empowered to contribute their best.

RECOGNITION OF EXCELLENCE

National Association of Microfinance Banks

Award of Excellence

MSME Finance CEO Awards 2025 -
MSME Microfinance Bank of the Year

National Association of Microfinance Banks - Award of Excellence (MD/CEO)

2025 International Finance Banking Awards - Fastest Growing Digital Microfinance Bank

MSME Finance CEO Awards 2025 - MSME Microfinance Bank CEO of the Year

CUSTOMER SERVICE WEEK

Customer Service Week 2025 provided an opportunity for us to celebrate employees and customers under the theme "Mission Possible," recognising the collective commitment required to deliver exceptional service experiences.

Through engaging activities and moments of recognition, the celebration reflected our ongoing commitment to service excellence and meaningful customer relationships, further reinforcing a culture built on collaboration, empathy, and shared purpose.

Celebrating a Culture of Service Excellence.

Management in the Customer Service Spotlight

Our management staff were not left out of the Customer Service Week celebration. They took time out to personally connect with customers via phone calls.

Developing Talent for Sustainable Impact

Building a Culture of Continuous Learning

At Accion Microfinance Bank, continuous learning remains central to building a resilient, high-performing, and future-ready workforce. Throughout 2025, the Bank sustained its commitment to employee development through targeted learning initiatives designed to strengthen technical competence, enhance leadership capability, and support long-term organisational growth.

Training programmes implemented during the year were aligned with the Bank's strategic priorities, ensuring employees remained equipped to respond effectively to evolving business demands, regulatory expectations, and emerging industry trends.

Strengthening Leadership and Professional Capability

To deepen expertise across key functions, employees participated in a broad range of external training programmes covering cybersecurity, digital transformation, governance, artificial intelligence, risk management, customer experience, climate resilience, and business continuity management.

These programmes included Strategic Leadership in Inclusive Finance, AI for Executives, Strategic AI Leadership Workshop, Data Protection Practitioner Course, PRINCE2 Practitioner Certification, ISO 22301 Business Continuity Management Training, and several governance, audit, and financial reporting seminars.

These learning interventions contributed significantly to strengthening strategic thinking, operational effectiveness, and leadership capability across the organisation.

Driving Knowledge Sharing Through Internal Learning Platforms

The Bank also continued to strengthen internal learning and collaboration through its Learning Academy, leveraging weekly Knowledge Exchange Sessions (KES), structured on-the-job learning, and the Learning Management System (LMS).

Internal learning sessions focused on areas such as leadership development, customer experience, innovation, product knowledge, information security awareness, ESG compliance, AML/CFT training, communication skills, stress management, and digital banking operations.

Specialised initiatives including the Graduate Trainee Programme (GTP), retirement planning sessions, and mental health awareness programmes further reinforced the Bank's commitment to holistic employee development and workplace effectiveness.

Expanding Digital Learning and Workforce Readiness

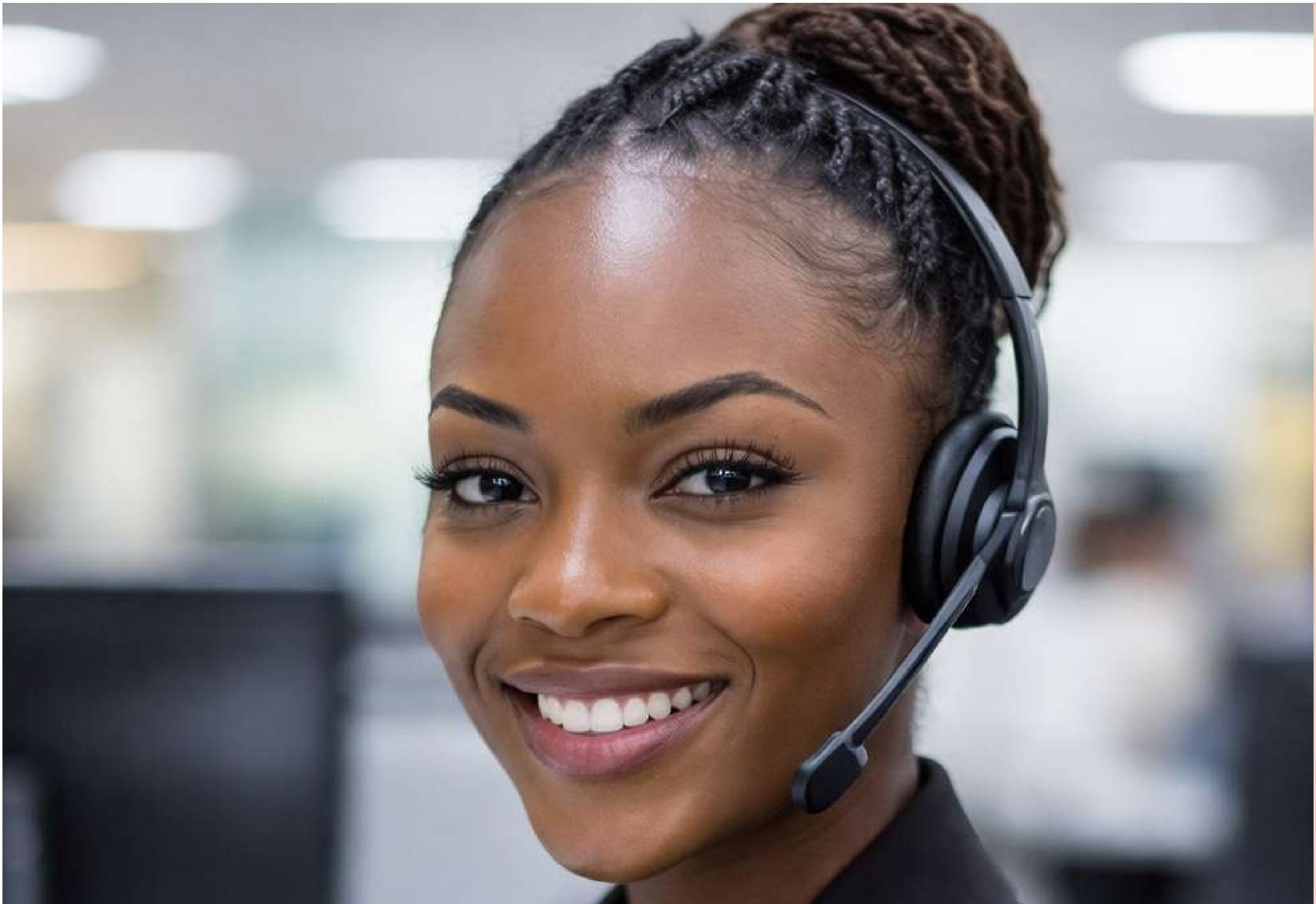
During the year, the Bank expanded the adoption of its Learning Management System across the organisation, enabling employees to access learning resources more efficiently and encouraging a culture of self-driven development and continuous improvement.

This digital learning approach enhanced flexibility, improved learning accessibility, and supported broader workforce readiness in an increasingly dynamic and technology-driven environment.

Looking Ahead

As the Bank continues to evolve, investment in people and capability development will remain a strategic priority. The Bank remains committed to fostering a learning culture that empowers employees, strengthens organisational resilience, and supports innovation, operational excellence, and sustainable growth.


Customer
Experience
Client
Job
Use
Purchase
Management
Company
Goal
Work
Attraction
Discovery
Employees
Satisfactory
Cultivation
Awareness
Experience
Discipline
Satisfaction
Work
Satisfactory
Use
Purchase
Success
Advocacy
Consulting
Satisfactory
Goal
Satisfactory
Use
Purchase
Client
Work
Consulting
Employees
Rates
Loyalty
Success
Experience
Supplier
Goal
Purchase
Consulting
Satisfactory
Management
Use
Goal
Job
Work
Business
Rates
Experienced
Use
Relationship
Purchase
Awareness
Experience
Company
Cultivation
Satisfactory
Rates
Work
Supplier
Loyalty
Services
Purchase
Employees
Experienced
Company
Cultivation
Interaction
Employees
Work
Success
Management



Strengthening Relationships Through Exceptional Customer Experience

Our complaint resolution process is outlined below:

- Complaints may be received through multiple channels, including phone calls, emails, social media platforms, branch offices, Head Office, live chat, and written correspondence. For time-sensitive or fraud-related matters, customers are strongly advised to report through our dedicated whistleblowing channel at kpmgethicsline@ng.kpmg.com to ensure immediate attention.

- All complaints received are formally logged and acknowledged with a unique case ID. Each case is reviewed and addressed within 48 hours of receipt.

- Throughout the resolution process, customers are kept informed of the status of their complaint until a final resolution is reached.

- Once a resolution is communicated, and no objection is received from the customer, the case is considered satisfactorily resolved and formally closed.

- On a monthly basis, all complaints and customer feedback are compiled and categorized by type and frequency. These reports are analyzed to identify root causes and shared internally to support continuous improvement and prevent recurrence. In line with regulatory requirements, periodic reports are also submitted to the Central Bank of Nigeria (CBN).

Summary of 2025 complaints received at the Customer Experience Hub

Table 1: Monthly breakdown of customer complaints

Month	Total Complaints Received	Total Complaints Resolved	Total Pending
January	694	694	Nil
February	545	545	Nil
March	395	395	Nil
April	208	208	Nil
May	264	264	Nil
June	170	170	Nil
July	88	88	Nil
August	65	65	Nil
September	58	58	Nil
October	44	44	Nil
November	59	59	Nil
December	24	24	Nil
Grand Total	**2,614**	**2,614**	**Nil**

Table 2 shows the total amount of complaints/ claims as at December 2025 against the year 2024

	Number		Total Amount Claimed (N'Million)		Amount refunded (N'Million)	
Description	2025	2024	2025	2024	2025	2024
Pending Complaints B/F	NA	NA	NA	NA	NA	NA
Received Complaints	2,614	3,686	398,111,39.37	268,862,956	398,111,39.37	268,862,956
Resolved Complaints	2,614	3,686	398,111,39.37	268,862,956	398,111,39.37	268,862,956
Unsolved Complaints escalated to CBN for intervention	NA	NA	NA	NA	NA	NA

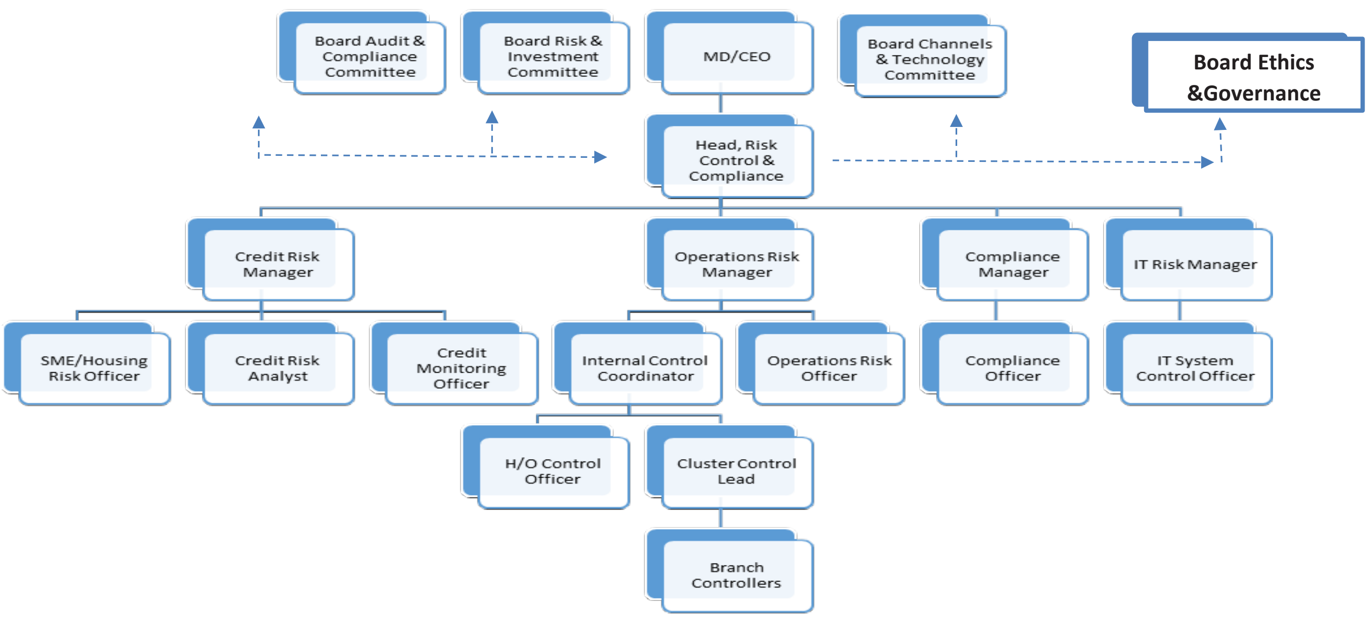
Risk Management Policy

Financial risk management

(a) Introduction and overview

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for approving and monitoring Bank risk management policies.
The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Board also oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Board is assisted in its oversight role by the Board Risk, Credit and Investment Committee, which undertakes both regular and ad-hoc reviews of risk management controls and procedures.
The risk management framework of the Bank identifies risk culture as the foundation upon which the pillars of risk and control processes and extreme events management lie.

The general organisational structure can be seen below:



The Board of Directors are responsible for developing and monitoring the Bank's risk management policies.

(i) The Bank's approach to risk

The Bank addresses the challenge of risks comprehensively through an enterprise-wide risk management framework by applying leading practices that are supported by a governance structure consisting of the board and executive

management committees. The Board drives the risk governance and compliance process through management. The audit committee provides oversight on the systems of internal control, financial reporting and compliance. The Board also sets the risk philosophy, policies and strategies and provides guidance on the various risk elements and their management.
Executive management drives the management of the financial risks (market, liquidity and credit risk), operational risks as well as strategic and reputational risks.

The key features of the Bank's risk management framework are:

- The Board of Directors provide overall risk management direction and oversight.
- The Bank's risk appetite is approved by the Board of Directors.
- Risk management is embedded in the Bank as an intrinsic process and is a core competency of all its employees.
- The Bank manages its credit, market, operational and liquidity risks in a co-ordinated manner within the organization.
- The Bank's risk management function is independent of the business divisions.
- The Bank's internal audit function reports to the Board; providing independent validation of the business units' compliance with risk policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Board of Directors is committed to managing compliance with a framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.
The compliance function, under the leadership of the Head of Internal Audit of the Bank has put in place a compliance framework, which includes:

- Comprehensive compliance manual, the manual details the roles and responsibilities of all stakeholders in the compliance process,
- Review and analysis of all relevant laws and regulations, which are adopted into policy statements to ensure business is conducted professionally.

(ii) Risk Appetite

The Bank's risk appetite is reviewed by the Board of Directors annually, at a level that minimizes erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflects the conservative nature of the Bank as far as risk taking is concerned.

(iii) Risk Management Philosophy, Culture and Objectives

The Bank considers effective risk management to be the foundation of a long lasting institution.

- The Bank continues to adopt a holistic and integrated approach to risk management and therefore, brings all risks together under one or a limited number of oversight functions.
- Risk management is a shared responsibility. Therefore the Bank aims to build a shared perspective on risks that is grounded in consensus.
- There is clear segregation of duties between market facing business units and risk management functions.
- Risk Management is governed by well defined policies which are clearly communicated within the Bank.
- Risk related issues are taken into consideration in all business decisions.

The Bank shall continually strives to maintain a conservative balance between risk and revenue consideration.

The Bank has exposure to the following risks from its financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(b) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers, investment in debt securities, cash and cash equivalents, pledged assets and trade and other receivables. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.The Bank has exposure to credit risk as it routinely executes transactions with counterparties which comprise mainly of providing loans to low income individuals and micro-entrepreneurs.

(i) Credit risk limits

The Bank applies credit risk limits, among other techniques in managing credit risk. This is the practice of stipulating a maximum amount that the individual or counterparty can obtain as loan. Internal and regulatory limits are strictly adhered to. Through this, the Bank not only protects itself, but also in a sense, protects the counterparty from borrowing more than they are capable of paying.
The Bank continues to focus on its concentration and intrinsic risks and further manage them to a more comfortable level. This is very important due to the serious risk implications that intrinsic and concentration risk pose to the Bank. A thorough analysis of economic factors, market forecasting and prediction based on historical evidence is used to mitigate the crystallization of these risks.
The Bank has in place various portfolio concentration limits (which is subject to periodic review).

These limits are closely monitored and reported on from time to time. The Bank's internal credit approval limits for the various authority levels are as indicated below.

Designation	Range of Approval
Area Managers	Up to N2,000,000
Regional Bank Heads	Above N2,000,000 to N4,000,000
Chief Commercial Officer	Above N4,000,001 to N7,500,000
MD/CEO	Above N7,500,000 to N20 million
Board Risk and Investment Committee	Above N20,000,000 Up to 0.5% or 2.5% of shareholders funds unimpaired by losses for single or corporate borrowers

These internal approval limits are set and approved by the Bank's Board and are reviewed regularly as the state of affairs of the Bank and the wider financial environment demands.

The Bank aligns with the Basel III regulatory framework, particularly in areas concerning capital adequacy, liquidity, and risk management. The bank has demonstrated its commitment to operational excellence and resilience through various initiatives:

- **Capital Adequacy:** The bank has maintained capitalization well above the N6 billion requirement for national microfinance banks in Nigeria, as stipulated by the Central Bank of Nigeria (CBN).

- **Liquidity Management:** The bank's digital transformation strategy, including the introduction of the recalibrated digital execution strategy 2025, aims to enhance operational efficiency and customer experience, indirectly supporting liquidity management.

Risk Management and Transparency: The bank has achieved triple ISO certifications in IT Service Management, Information Security, and Business Continuity, underscoring its commitment to robust risk management and operational resilience.

ACCION MICROFINANCE BANK SUSTAINABILITY REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

We are pleased to present the 3nd Edition of the Bank's Annual Sustainability Report for the year 2025.

Driven by our unwavering commitment to sustainability, Accion Microfinance Bank has continued to lead with purpose in 2025, embedding responsible practices across every aspect of our operations. Throughout the year, we strengthened our role as a catalyst for financial inclusion, advanced our environmental stewardship, deepened our social impact, and upheld the highest standards of governance.

As we reflect on the year, we are proud of the meaningful progress achieved in advancing our Environmental, Social, and Governance (ESG) priorities—reaffirming our resolve to build a resilient institution that delivers lasting value for our stakeholders, our communities, and the future.

1. Financial Inclusion, Economic Empowerment and Sustainability

In 2025, Accion Microfinance Bank onboarded over 25,292 new customers, with a strong focus on serving the underbanked and underserved segments within our operating markets.

During the year, the Bank disbursed 31,233 loans to 22,657 customers, compared to 26,655 loans to 21,629 customers in 2024. The total value of loans disbursed stood at N56.78 billion, representing a significant increase from N36.73 billion recorded in 2024. This growth reflects our sustained commitment to deepening financial inclusion by expanding access to credit, savings, and other essential financial services for women, men, persons with disabilities, micro-entrepreneurs, and other financially excluded groups. Through these efforts, the Bank continues to empower individuals and small businesses, supporting economic growth and contributing to poverty reduction.

Over the course of the year, the Bank's services reached 404,671 customers across 698,924 accounts, compared to 317,663 customers across 656,176 accounts in 2024, demonstrating steady growth in our customer base and service outreach.

In terms of financial strength and resilience, the Bank recorded a 52% growth in total assets, increasing to N29.54 billion in 2025 fromN19.42 billion in the previous year. This performance reflects the Bank's robust financial position and its continued commitment to supporting the economic stability of the communities we serve.

In 2025, the Bank also achieved a major milestone in its branch expansion strategy, extending its footprint to Kwara and Kaduna States, as well as opening an additional outlet in Kano State. This strategic expansion has further strengthened our financial inclusion drive by bringing our services closer to unbanked and underserved populations in these regions.

Additionally, the Bank sustained strong progress in its digital transformation journey, maintaining stability and efficiency across its digital channels, including the mobile banking application, agency banking network, and card services. During the year, the revamped mobile banking application was further enhanced with additional self-service features, enabling customers to conveniently carry out everyday banking transactions such as target savings, locked savings, and other digital banking services.

Overall, these brick-and-mortar expansions and digital innovations have positioned Accion Microfinance Bank as a forward-looking and customer-focused financial institution, leveraging technology and innovation to deepen financial inclusion, enhance service delivery, and support sustainable economic development across Nigeria..

OUR 2025 ESG ASSESSMENT AND RATING

In the evolving landscape of responsible finance, the Bank stood at a defining moment in its Environmental, Social, and Governance (ESG) assessment for the year under review. The results were more than numbers on a report as they told the story of an institution steadily transforming itself into a model of sustainability, accountability, and inclusive growth.

Pillar	Weight	Score	Weighted Contribution	Global ESG Rating
Environmental	25	22.3	89%	Excellent / AAA
Social	45	32.5	72%	Good / AA
Governance	30	28.15	94%	Excellent / AAA
Overall ESG	100	82.95	83%	Excellent / AAA

The Environmental pillar reflected one of the Bank's most remarkable achievements. With a score of 22.3 out of 25 and an outstanding 89% weighted contribution, the Bank earned an Excellent (AAA) rating. This performance was the result of deliberate actions taken over the years—reducing paper usage through digital banking initiatives, improving energy efficiency across branches, and embedding environmental risk screening into its loan appraisal processes. What once began as small operational improvements had matured into a structured environmental management approach, positioning the Bank as a responsible steward of both financial and Areas of Significant Improvement and Performance.

The Social pillar, while rated Good (AA) with a score of 32.5 out of 45 and a 72% weighted contribution, told a story of both meaningful progress and opportunity. The Bank had demonstrated its commitment to financial inclusion by supporting micro-entrepreneurs, empowering women-owned businesses, and expanding access to underserved communities. Employee welfare, training, enhancing ESG awareness among staff, expanding structured community programs, and customer protection frameworks had also strengthened significantly. However, the rating highlighted opportunities to deepen social impact further—particularly in staff retention in the face of acute dearth of sound manpower resources in the industry and formalizing impact measurement systems. These areas represented the next frontier in the Bank's sustainability journey.

Governance emerged as another pillar of exceptional strength. With a score of 28.15 out of 30 and an impressive 94% weighted contribution, the Bank again secured an Excellent (AAA) rating. This achievement reflected the institution's deep commitment to transparency, accountability, and ethical leadership. Strong Board oversight, clear policies, and a culture of compliance ensured that decision-making remained aligned with both regulatory expectations and global best practices. Governance was no longer just a control function—it had become the backbone of institutional integrity and stakeholder confidence.

Overall, Accion Microfinance Bank achieved a remarkable ESG score of 82.95 out of 100, with an overall weighted contribution of 83%, earning an Excellent (AAA) ESG Rating. This outcome was not accidental—it was the result of intentional leadership, disciplined execution, and a shared belief that financial success and social responsibility must go hand in hand.

The ESG assessment did more than validate the Bank's efforts; it reinforced its vision. Environmental responsibility and governance excellence had become defining strengths, while the Social pillar presented a clear roadmap for future growth. Together, these results positioned Accion Microfinance Bank not only as a strong financial institution but as a sustainability leader—one capable of delivering lasting value to its customers, its communities, and the future.

The journey was far from over. But with an Excellent ESG rating and a clear path ahead, Accion Microfinance Bank had proven that responsible banking was not just an aspiration—it was its identity. We will therefore take a deep dive into what the Bank has done specifically along the ESG pillars.

2. Environmental Sustainability

In 2025, Accion Microfinance Bank reinforced its commitment to environmental sustainability by embedding environmentally responsible practices across its operations and business processes. The Bank adopted a proactive approach to environmental stewardship, aligning its initiatives with global sustainability principles and local regulatory expectations.

a. Paper reduction initiatives & Responsible waste management practices

As part of its efforts, the Bank intensified paper reduction initiatives by promoting digital documentation, electronic approvals, and e-statements, thereby significantly reducing reliance on paper-based processes. This transition not only improved operational efficiency but also contributed to the conservation of natural resources.

In addition, the Bank implemented responsible waste management practices across its branches, encouraging proper waste segregation, recycling where feasible, and safe disposal of materials in line with environmental standards. Awareness campaigns were also conducted internally to educate staff on environmentally friendly practices and the importance of sustainability in daily operations.

b. Production of Tote Bags to Replace Nylon Bags

As part of our 2025 sustainability drive, Accion Microfinance Bank launched an initiative focused on reducing plastic waste through the production and distribution of branded reusable tote bags. This initiative was designed to discourage the use of single-use nylon and plastic bags in line with the lagos state government's environmental protection policy direction, which contribute significantly to environmental pollution.

By introducing durable and reusable alternatives, the Bank actively promoted sustainable consumption practices among its customers, staff, and the wider community. The tote bags not only served as practical everyday items but also functioned as a tool for environmental awareness, encouraging behavioural change toward eco-friendlier habits.

This initiative contributed to the reduction of plastic waste, supported cleaner communities, and aligned with broader environmental protection goals at both national and global levels. It also complemented ongoing efforts to address challenges associated with plastic pollution, including improper waste disposal and environmental degradation.

c. World Environment Day Initiative

In 2025, Accion Microfinance Bank commemorated World Environment Day through impactful community-based activities aimed at promoting environmental sustainability and public awareness.

As part of the celebration, the Bank organized community clean-up exercises across its operational locations, actively engaging staff, customers, and local residents. These activities focused on litter collection, proper waste disposal, and sanitation awareness, helping to create cleaner and healthier environments within host communities. Beyond the physical clean-up efforts, the initiative served as a platform to educate and sensitize stakeholders on environmental stewardship, encouraging responsible behaviours that support long-term sustainability.

By aligning its activities with the advocacy of the National Environmental Standards and Regulations Enforcement Agency (NESREA) and national sustainability goals, Accion MfB demonstrated its strong commitment to environmental responsibility, regulatory alignment, and community engagement.

d. Environmental Impact Audits: Clean Bill of health from NESREA

In furtherance of our commitment to environmental sustainability and regulatory compliance, Accion Microfinance Bank engaged a National Environmental Standards and Regulations Enforcement Agency (NESREA) Accredited Environmental Consultant to conduct an environmental audit exercise of the Bank in line with the Agency's regulations. The audit covered two cycles namely 2022–2024 and 2025–2027 respectively, reflecting the Bank's proactive approach to continuous environmental performance assessment.

The outcome was a resounding success which further underscores the Bank's adherence to applicable environmental laws and guidelines, as well as its dedication to maintaining environmentally responsible operations across all its locations nationwide. It also highlights the effectiveness of the Bank's internal environmental management systems, including its practices on waste disposal, energy use, and overall environmental risk management.

Furthermore, the audit outcome reinforces Accion MfB's position as a compliant and responsible institution, committed to minimizing its environmental footprint while aligning with national sustainability standards. This achievement not only strengthens regulatory confidence but also demonstrates the Bank's long-term commitment to environmental stewardship and sustainable development.

CN: ***NESREA/BANK/EAR/413/2024***

nesrea

National Environmental Standards and Regulations Enforcement Agency (NESREA)

Environmental Audit Certificate

This is to certify that

ACCION MICROFINANCE BANK LIMITED (CAC Registration No. RC.653525)

has satisfactorily conducted the Environmental Audit of the Sixty-nine (69) branches on the attached list. The Environmental Audit was carried out by **Rehnan'afe Engineering and General Services Limited**, a NESREA accredited Environmental Consultant.

Date of Issue: 1st January 2025

Expiry Date: 31st December 2027

Director, Planning and Policy Analysis

Director, Legal Services

Director, Environmental Quality Control

Director, Inspection & Enforcement

Director, Partnership and Education

Director General/CEO

CONDITIONS:

This certificate is issued subject to the following conditions:

1.0 You shall commit to implement the recommendations of the Environmental Audit Report including the installation of hybrid power supply at the branches, and bund walls around the power generating sets and diesel storage tanks;

2.0 Subscribe to the Extended Producers Responsibility Programme for end-of-life products such as batteries, Electrical/Electronic Equipment (EEE) in accordance with the provisions of the National Environmental (Electrical Electronics Sector) Regulations S.I. 23, 2011 if the EEE are imported by your office into the country; and

3.0 Ensure Used and/or non-functional EEE and batteries are handed over to registered waste vendors.

e. Energy-efficient systems and practices

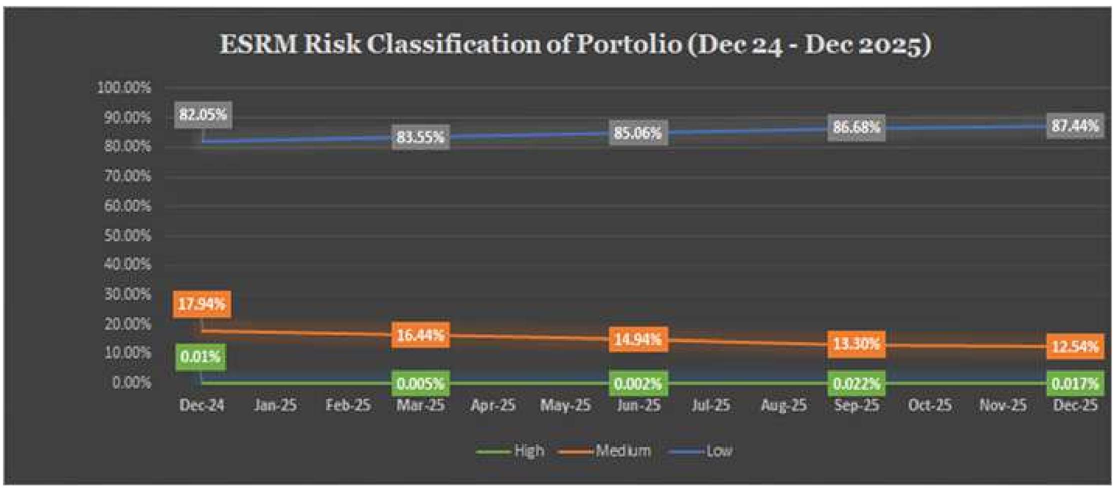
To further reduce its environmental footprint, the Bank intensified the promotion of the use of energy-efficient systems and practices, including optimized power usage, adoption of energy-saving devices, and conscious efforts to minimize energy wastage across its locations. These measures were particularly important in supporting cost efficiency while also addressing environmental concerns.

The Bank strengthened its commitment to sustainable financing by scaling up its Green Loan portfolio, particularly the Solar Loan product, during the year. Total disbursements exceeded N100 million in 2025, up from N90.4 million in 2024, reflecting increasing market acceptance and measurable impact. Adoption was most pronounced in Lagos and the wider South-West region, where persistent energy challenges and rising operating costs have driven businesses toward more efficient and sustainable energy solutions.

f. Strict Compliance with Environmental and Social Risk Management

The Bank also ensured strict compliance with environmental and social risk management as it integrates it into its lending and operational frameworks, reinforcing its role as a responsible financial institution.

a. Environmental and Social Risk Management Framework



A review of the Bank's Environmental and Social Risk Management (ESRM) framework for the portfolio at the close of 2025 reflected a significant improvement and stability when compared to 2024. The position in 2025 showed that 87.44% of the portfolio had low ESG risk rating while 12.54% classified as medium and 0.017% as High compared to 2024 of 82.05% as low, 17.94% as medium and 0.01% as High.

This outcome highlighted the Bank's strong ESG compliance and reaffirms its commitment to proactively identifying, assessing, and managing environmental and social risks across its operations and business activities.

3. Overview of Social ESG

In 2025, the Bank demonstrated strong performance across key social responsibility indicators, reinforcing its commitment to financial inclusion, employee welfare, gender equality, and customer protection. The ESG Social Target Tracking Matrix reflects measurable progress in aligning operations with sustainable and socially responsible banking principles.

The Bank achieved strong performance across most of its social indicators, with several metrics exceeding expected thresholds and reflecting effective institutional policies and practices.

a. Employee Development and Inclusion

- **Diversity and Inclusion Initiative:**

In 2025, the Bank sustained its Diversity and Inclusion Initiative, reinforcing its commitment to building a workplace where all employees—regardless of gender, age, ethnicity, background, or disability—have equal opportunities for growth and advancement. The initiative emphasized equitable representation across all levels, strengthened mentorship programmes, and the adoption of unbiased recruitment and promotion practices to foster a more inclusive organizational culture.

During the year, female representation at Board level remained stable at 22%, while overall workforce representation reduced marginally from 55% in 2024 to 53%. At Senior Management level, representation also declined slightly to 35% from 38% recorded in 2024 still above the global benchmark.

The Bank also continued to implement inclusive and non-discriminatory recruitment practices. In 2025, a total of 194 new hires were onboarded, compared to 180 in 2024.

- **Employee Training and Capacity Building:**

In 2025, the Bank strengthened its employee development programmes, resulting in increased staff certifications, particularly in microfinance banking and other relevant professional fields, thereby enhancing overall workforce capacity and competence. During the year under review, a total of 59 training programmes were delivered with a total number of participants at 8,342 compared to 7,600 in 2024, This is part of the Bank's commitment to employee development, institutional capacity building, and social sustainability.

The training interventions covered a wide range of areas including leadership, compliance, risk management, cybersecurity, customer experience, product knowledge, governance, information security, wellness, and strategy. These programmes reached staff across multiple departments and levels of the Bank, including Board members, senior management, operations, commercial teams, audit, finance, compliance, legal, and support functions.

The Bank adopted a mix of internal and external training formats, delivered through online, physical, hybrid, and mixed modes to ensure broad participation and flexibility. Internal Knowledge Sharing Sessions helped reinforce the Bank's mission, values, policies, systems, and strategic priorities, while external programmes provided specialized exposure in areas such as AML/CFT, fraud prevention, internal control, data protection, AI, climate resilience, expected credit loss, board governance, and ISO standards. The Graduate Trainee Programme was also implemented in multiple phases, reflecting the Bank's focus on talent development and succession planning. Overall, the 2025 training report demonstrates Accion MfB's strong investment in its people as a core part of its ESG social agenda. By equipping employees and leadership with relevant technical, regulatory, and leadership skills, the Bank strengthened operational effectiveness, regulatory compliance, innovation, and service delivery. This broad learning programme also reinforces a culture of continuous improvement, staff wellbeing, and long-term organisational sustainability.

- **Health, Wellness, and Employee Support**

A healthy workforce is critical to sustained productivity. It is in recognition of this that the Bank retained the services of its Health Management Organisation (HMO), Leadway HMO, in 2025. It also implemented some enhancements and upgrades to the existing healthcare plans to provide more comprehensive medical coverage for staff.

The improved health and wellness programme continues to offer a wide range of services including annual medical check-ups, mental health support, fitness initiatives, and stress management programmes. In addition, employees have access to confidential counselling services and workplace wellness resources, reinforcing the Bank's commitment to promoting a healthy work-life balance, emotional wellbeing, and overall staff productivity.

- **Celebration of International Men & Women's Week**

In 2025, as part of Men's Week/Day, Accion MfB hosted a Men's Mental Health webinar to raise awareness of mental well-being and encourage open discussions on men's health. The session addressed stress management, emotional resilience, and work-life balance, reinforcing a culture of wellness and the Bank's dedication to supporting the mental health of employees and the wider community.

Also in 2025, to mark International Women's Day (IWD), Accion MfB offered free health screenings at its Lagos Head Office. The initiative provided essential medical check-ups for staff and community members, promoting health awareness and well-being, and demonstrating the Bank's commitment to women's health, empowerment, and social welfare.

These reflect the Bank's deliberate effort to continuously improve employee welfare, ensuring that staff receive quality, accessible, and responsive healthcare support in line with best practices.

b. Customer Satisfaction & Disclosure of Complaints

- **Commitment to Customer Satisfaction**

Customer satisfaction remained a core strategic priority for Accion Microfinance Bank in 2025, with sustained efforts to deepen trust, enhance service quality, and strengthen customer relationships across all touchpoints. Building on the gains recorded in the previous year, the Bank maintained a 100% customer satisfaction rate in 2025, reflecting the effectiveness of its customer-centric initiatives and continuous service improvements.

To support this performance, the Bank continued to optimize its service delivery channels, with a strong focus on digital platforms that enable faster, more convenient, and secure access to financial services. Enhancements to turnaround times, particularly in loan processing and issue resolution, contributed significantly to improved customer experience.

The Bank also strengthened its customer feedback and engagement framework, conducting periodic satisfaction surveys and leveraging insights to refine products, services, and operational processes. The Customer Experience Hub remained instrumental in monitoring service quality, addressing complaints promptly, and driving continuous improvement initiatives across the organisation.

In addition, the Bank sustained its investment in staff capacity development, with ongoing training focused on customer service excellence, empathy, and effective communication. This ensured that employees are well-equipped to deliver consistent, high-quality interactions that meet and exceed customer expectations.

Overall, these efforts reinforce Accion MfB's commitment to delivering a seamless, responsive, and customer-focused banking experience.

- **Complaints Management and Disclosure**

In 2025, Accion Microfinance Bank strengthened its complaints management framework to ensure timely resolution, transparency, and continuous service improvement. The Bank maintained a customer-centric approach by making it easy for clients to raise concerns and receive prompt feedback.

Customers were able to lodge complaints through multiple accessible channels, including branch walk-ins, the Contact Centre, email, social media platforms, and digital self-service options. All complaints were acknowledged within 24 hours, with resolutions typically achieved within three to five working days, depending on the nature and complexity of the issue.

To enhance accountability, all complaints were captured within a centralized tracking system, enabling effective monitoring, escalation, and analysis of trends. Regular reports on complaint volumes, categories, and resolution timelines were reviewed by Management and the Board Governance Committee to drive informed decision-making and service improvements.

In line with regulatory expectations, the Bank upheld its commitment to transparency by providing periodic disclosures on complaints handling performance, including resolution rates and identified systemic issues. This approach reinforces trust, strengthens governance, and supports continuous enhancement of the Bank's service delivery standards.

- **Customer Protection and Responsible Lending – Strong Compliance**

The Bank maintained strong performance in customer protection, transparency, and ethical lending practices. This ensures that customers are treated fairly and that lending practices remain responsible and sustainable. This strengthens customer trust, enhances the Bank's reputation, and reduces reputational and regulatory risks.

c. Community Engagement

Accion Microfinance Bank continues to advance community development by implementing initiatives that enhance financial inclusion, education, health, and empowerment. While the Bank sustained the existing initiatives, the following are worthy of mention.

Corporate Social Responsibility (CSR) Spotlight

i. Empowering Young Minds

In 2025, Accion MfB made a meaningful impact on education at Aiyetoro School by donating a curated collection of books to the school library. This contribution provided students with enhanced learning resources, fostered a love for reading, and encouraged curiosity and critical thinking.

Beyond supporting academics, the initiative aimed to cultivate a culture of knowledge, personal growth, and lifelong learning. Through this effort, the Bank reaffirmed its commitment to improving educational access, promoting intellectual development, and investing in the future of its host communities.

ii. Empowering Women Through Digital Skills

In 2025, to celebrate Women's Month, Accion MfB hosted a transformative Digital Skills Boot Camp designed to equip women with essential digital and financial competencies. The programme offered practical, hands-on training in digital tools, online business management, and financial literacy, enabling participants to enhance their entrepreneurial potential, advance their careers, and confidently navigate the digital economy.

Beyond skills development, the initiative fostered mentorship, networking, and knowledge sharing among participants, reinforcing a culture of empowerment and resilience. This effort reflects the Bank's strong commitment to gender inclusion, women's economic empowerment, and creating sustainable opportunities that drive growth and uplift communities.

iii. Women's Health Checkup Initiative

In 2025, in celebration of International Women's Day, Accion MfB partnered with Leadway Assurance to launch the Women's Health Checkup Initiative as part of the Bank's Corporate Social Responsibility efforts to promote accessible healthcare for women. The programme provided free medical screenings, raising awareness of preventive health and supporting overall well-being for participants.

The initiative reached a total of 132 women, with an average age of 45 years. Among the participants, 21 were existing customers, while 111 were new customers whose names and phone numbers were collected for follow-up and engagement, extending the Bank's outreach and community impact.

iv. World Environmental Day Initiative:

During the year under review, Accion MfB marked World Environment Day by organizing community clean-up exercises that engaged staff, customers, and local residents. The initiative focused on litter collection, sanitation awareness, and promoting environmental stewardship within host communities.

v. Production of Branded Eco-Tote Bags

Accion MfB promoted sustainability and customer engagement through the production and distribution of 1,500 branded eco-tote bags across its branch network in Lagos State in 2025. The initiative targeted both walk-in customers and new clients opening accounts, combining environmental consciousness with outreach efforts.
By providing reusable, eco-friendly bags, the Bank reinforced its commitment to green practices while enhancing brand visibility and strengthening connections with its customers and communities.

vi. Customer Service Week 2025 – Mission Possible

In 2025, Accion MfB actively participated in Customer Service Week under the theme "Mission Possible", reaffirming its commitment to delivering exceptional customer experiences. Throughout the week, the Bank engaged staff in interactive training, workshops, and team-building activities focused on service excellence, empathy, and responsiveness. Employees were encouraged to innovate solutions to customer challenges, share best practices, and reinforce a culture of accountability and professionalism.

The initiative had a measurable impact on the Bank's service delivery, enhancing customer satisfaction, strengthening client relationships, and improving operational efficiency. By celebrating and investing in its frontline teams, Accion MfB demonstrated that delivering superior service is not just a goal but a core value, driving trust, loyalty, and long-term growth within its communities.

d. Occupational Health and Safety

In 2025, Accion MfB continued to prioritize workplace safety and employee well-being through rigorous Occupational Health and Safety (OHS) practices. On April 23, 2025, the Bank underwent its second OHS audit conducted by the Nigeria Social Insurance Trust Fund (NSITF). The audit reviewed compliance with health and safety protocols, workplace hazard management, emergency preparedness, and staff awareness of OHS procedures.

The Bank received commendation from NSITF for the proactive measures implemented across its operations, including regular safety drills, well-maintained work environments, and the promotion of a safety-conscious culture among employees.

This recognition reflects Accion MfB's ongoing commitment to providing a secure and healthy workplace, safeguarding staff welfare, and aligning with national occupational safety standards.

4. Governance and Compliance

- In 2025, the Bank demonstrated strong governance performance, reinforcing its commitment to transparency, regulatory compliance, ethical conduct, and institutional accountability. The Governance ESG Target Tracking Matrix and Heat Map indicated that the Bank maintained effective governance structures and robust internal control systems, with most indicators achieving full compliance and strong performance ratings.

- Governance remains the foundation upon which the Bank's sustainability strategy is built, ensuring responsible decision-making, risk management, and protection of stakeholder interests.

a. Strong Board and Governance Structure Effectiveness

In 2025, Accion MfB achieved full compliance across all key governance indicators, recording maximum performance scores of 4 out of 4. This achievement reflects the Bank's robust governance framework, characterized by:

- Effective Board Oversight: Active monitoring of strategic, operational, and regulatory matters.
- Properly Constituted Committees: Well-structured Audit & Compliance, Risk & Investment, Channels & Technology, and Governance Committees ensuring focused attention on critical areas.
- Active Strategic Guidance: The Board provided consistent supervision, advice, and direction to management on key initiatives and risk management.
- Strong Leadership Accountability: Clear accountability mechanisms reinforced responsibility and ethical conduct across all levels.

These results confirm that the Bank's governance oversight mechanisms are fully operational, effective, and aligned with both regulatory requirements and global best practices, supporting transparent decision-making and sustainable business growth

b. Strengthening Board Oversight

In 2025, Accion MfB took significant steps to reinforce its governance framework by enhancing the effectiveness of Board oversight and committee operations. The Bank ensured that the Board and its key Committees—including Audit & Compliance, Risk, Credit & Investment, Channels & Technology, and Governance—held frequent, structured, and proactive meetings throughout the year. These sessions focused on reviewing strategic initiatives, monitoring operational and financial risks, assessing compliance with regulatory requirements, and evaluating the performance of key business units.

This strengthened oversight enhanced transparency, accountability, and alignment with best practices in corporate governance. By fostering active engagement and informed decision-making at the Board level, the Bank not only ensured compliance with regulatory standards but also reinforced its strategic direction, risk management, and operational efficiency. These efforts underscore Accion MfB's commitment to maintaining robust governance structures that support sustainable growth and long-term stakeholder value.

c. Strong Board and Governance Structure

In 2025, Accion MfB maintained zero cases of governance breaches in critical areas, as confirmed by the Governance Heat Map. No incidents were reported across key governance risk indicators, including:

- Fraud at the governance level
- Governance-related regulatory breaches
- Escalations of ethical misconduct
- Compliance violations requiring enforcement action

This milestone reflects the Bank's strong ethical culture, effective internal controls, robust compliance monitoring, and high operational discipline. Achieving zero governance breaches underscores the institution's unwavering commitment to integrity, transparency, and accountability, reinforcing stakeholder confidence and alignment with regulatory expectations.

d. Enhanced Regulatory Compliance

In 2025, Accion MfB strengthened its adherence to regulatory standards, demonstrating improved compliance with CBN and other statutory requirements. The Bank consistently submitted timely filings, facilitated thorough regulatory examinations, and promptly addressed all observations raised by regulators.

Through ongoing engagement with the Central Bank of Nigeria (CBN) and other relevant authorities, the Bank reinforced a culture of proactive compliance, accountability, and transparency, ensuring alignment with regulatory expectations and best practices in governance.

e. Review and Enhancement of Governance and Risk Policies

Accion MfB undertook a comprehensive review and update of its corporate governance, risk management, and compliance policies. These updates were designed to address evolving regulatory requirements, operational dynamics, and emerging industry standards. By aligning policies with CBN guidelines, global best practices, and the Bank's strategic priorities, this initiative strengthened the institution's governance framework, enhanced risk mitigation, and ensured sustained compliance and operational resilience.

f. Human Rights Protection and Whistleblowing

During the period, Accion MfB reinforced its commitment to human rights protection and ethical conduct by promoting a robust whistleblowing framework across the organization. Employees were encouraged to report concerns or misconduct through confidential channels, ensuring that all reports were investigated fairly and promptly. This initiative strengthened accountability, safeguarded employee rights, and fostered a transparent, ethical, and responsible workplace culture, aligning with both regulatory expectations and global best practices in corporate governance.

g. Strong Internal Control Framework

In 2025, Accion MfB maintained a robust internal control environment, with the majority of governance indicators rated Green. The Bank demonstrated strong performance across critical areas, including adherence to regulatory requirements, effectiveness of internal audit processes, enforcement of corporate policies and Continuous risk oversight and control monitoring. These results confirm that the Bank's internal control framework is operating effectively, enabling proactive identification, prevention, and mitigation of risks while reinforcing transparency, accountability, and operational resilience across the organization.

With its strong governance foundation, proactive risk management approach, and continued commitment to ethical conduct, the Bank is well positioned to maintain governance excellence and strengthen its ESG leadership position in 2026 and beyond.

ESG Outlook – 2026: Strategic Priorities and Focus Areas

Building on the governance, sustainability, and social impact initiatives implemented in 2025, Accion MfB will advance its ESG agenda in 2026 with a strong focus on creating sustainable value for stakeholders. Key priorities include:

- Strengthening Corporate Governance: The Bank will deepen Board and management oversight, ensuring active engagement in strategic decision-making, robust policy enforcement, and adherence to regulatory requirements. Emphasis will be placed on reinforcing leadership accountability, enhancing committee effectiveness, and promoting a culture of transparency and ethical conduct throughout the organization.
- Enhanced Risk Management and Internal Controls: Accion MfB will continue to refine its enterprise risk management framework, strengthen internal audit processes, and implement proactive controls to identify, prevent, and mitigate operational, financial, and compliance risks. Continuous monitoring and reporting will ensure resilience against emerging challenges in the banking sector.
- Integration of ESG Considerations: Environmental, social, and governance factors will be further embedded into the Bank's strategic planning and operational practices. This includes evaluating the environmental impact of operations, promoting social responsibility programs, and aligning corporate governance practices with global ESG standards.
- Community Development and Social Impact: The Bank will expand initiatives in financial inclusion, capacity-building, education, health, and women empowerment. These programmes aim to strengthen community well-being, enhance access to essential services, and foster economic opportunities for underserved populations.
- Digital Innovation and Operational Efficiency: Leveraging technology, the Bank will enhance service delivery, improve customer experience, and streamline operations. Digital platforms and tools will be used to expand outreach, drive financial literacy, and increase engagement with clients and communities.
- Sustainable Growth and Stakeholder Confidence: By integrating governance, risk management, ESG, and innovation, Accion MfB aims to ensure sustainable business growth, strengthen stakeholder trust, and deliver long-term value. These efforts will position the Bank as a responsible and forward-looking financial institution committed to creating positive impact for its clients, employees, and host communities.

This comprehensive ESG outlook underscores Accion MfB's commitment to continuous improvement, resilience, and sustainability as core pillars of its strategy in 2026.

8. Conclusion

In 2025, Accion Microfinance Bank demonstrated a clear and deliberate commitment to embedding sustainability into its core operations. Progress across financial inclusion, environmental stewardship, social impact, and governance reflects a structured and results-driven approach to responsible banking.

These efforts position the Bank not just as a participant, but as a consistent driver of sustainable microfinance practices. Going forward, the focus remains on scaling impact, strengthening accountability, and delivering measurable value to customers, employees, stakeholders, and the wider community.

Thank you for your continued support.

Paulinus Ako
Head, ESG

Directors' Report

The Directors are pleased to present their annual report on the state of affairs of Accion Microfinance Bank Limited ("the Bank"), together with the audited financial statements for the year ended 31 December, 2025

1) LEGAL FORM AND PRINCIPAL ACTIVITIES

The Bank was incorporated as a private limited liability company on the 16th of May 2006 with an authorized share capital of N432,250,000. Accion Microfinance Bank Limited was granted approval to operate as a microfinance bank by the Central Bank of Nigeria (CBN) on 20 April, 2007. The Bank was also granted a license to operate as a National Microfinance Bank in December 2014. The issued share capital is N1,205,833,685 which is fully paid.

The principal activity of the Bank is to carry on business as a microfinance bank, providing financial services to micro, small and medium scale enterprises and other low income people in Nigeria in the form of working capital and other loans. The Bank is eligible to accept deposits from individuals, groups and organizations and also raise finance in accordance with the CBN regulations and guidelines on microfinance banks.
The Bank currently has 75 branches (2024: 72 branches) nationwide from which it operates.

2) OPERATING RESULTS

The profit before tax recorded by the Bank for the year ended 31 December, 2025 was N1,821 million (31 December, 2024: N800 million). Highlights of the Bank's operating results for the year ended 31 December, 2025 are as follows:

In thousands of naira	31-Dec-2025	31-Dec-2024
Profit before tax	1,821,421	800,249
Income tax expense	(794,414)	(224,621)
Profit after tax	1,027,007	575,628
Total comprehensive income	**1,027,007**	**575,628**
Appropriation:		
Transfer to Statutory reserve	128,376	71,954
Transfer to regulatory risk reserve	(154,721)	28,316
	(26,345)	**100,270**
Basic and diluted earnings per share (kobo)	85	48

3) DIVIDENDS

The Board of Directors are pleased to recommend a dividend of N0.35K per share (2024: N0.30K) amounting to N422,041,900 (Dec 2024: N362,222,310) on the approved share capital of 1,205,833,685 ordinary shares of N1 each for approval by the shareholders.

4) DIRECTORS

The following Directors served during the year under review:-

NAME	DESIGNATION	DATE OF APPOINTMENT
Mr. Christian Ruehmer	Chairperson	05 January 2017
Mr. Taiwo Joda	Managing Director	26 May 2017
Mr. Mark Adogah	Non-Executive Director	24 March 2022
Professor Olayinka David-West	Non-Executive (Independent) Director	10 December 2020
Mr. Gift Mahubo	Non-Executive Director	16 February 2023
Mr. Brian Kuwik*	Non-Executive Director	29 September 2023
Mr. Edwin Ogbogu	Non-Executive Director	02 February 2024
Alhaji Yusufu Modibbo	Non-Executive (Independent) Director	18 April 2024
Mrs. Joy Ojakovo	Non-Executive (Independent) Director	23 August 2024
Dr. Adeola Ogunyemi**	Non-Executive Director	13 May 2025

***Resigned from the board effective March 31, 2025.**
****Appointed a board member effective May 13, 2026.**

BOARD MEETINGS

To ensure the Board's effectiveness throughout the year, an annual meeting and task calendar is developed at the beginning of each year. These calendars do not only focus on the activities of the Board but also establish benchmarks against which its performance can be evaluated at the end of the year.

The Board meets quarterly and additional meetings are convened as the need arises. In furtherance of its roles, the Board met five (5) times in the year under review on 22 February 22 April, 25 July, 22 October, and 05 December, 2025. Attendance at the Board meetings during the year were as follows:

No	Members	25-Feb-25	22-Apr-25	25-Jul-25	22-Oct-25	5-Dec-25
1	Mr. Christian Ruehmer	Y	Y	Y	Y	Y
2	Mr. Taiwo Joda	Y	Y	Y	Y	Y
3	Mr. Mark Adogah	N	Y	Y	Y	Y
4	Professor Olayinka David-West	Y	Y	Y	Y	Y
5	Mr. Gift Mahubo	Y	Y	Y	Y	Y
6	Mr. Brian Kuwik	N	NLM	NLM	NLM	NLM
7	Mr. Edwin Ogbogu	Y	Y	Y	Y	Y
8	Mr. Yusufu Modibbo	Y	Y	Y	Y	Y
9	Mrs. Joy Ojakovo	Y	Y	Y	Y	Y
10	Dr. Adeola Ogunyemi	NYM	NYM	Y	Y	Y

Legend
Y: Attended the meeting
N: Did not attend the meeting
NLM: No Longer a member of the Board
NYM: Not yet a member of the Board

BOARD COMMITTEES

Board Risk, Credit & Investment Committee

The Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met five (5) times in the 2025 financial year on 16 February, 15 April, 11 July, 15 October and 1 December, 2025. Membership of the Committee and attendance at its meetings during the year were as follows:

No.	Members	Designation	16-Feb-25	15-Apr-25	11-Jul-25	15-Oct-25	1-Dec-25
1	Mr. Yusufu Modibbo	Chairman	Y	Y	Y	Y	Y
2	Mrs. Joy Ojakovo	Member	Y	Y	Y	Y	Y
3	Mr. Brian Kuwik*	Member	Y	NLM	NLM	NLM	NLM
4	Mr. Taiwo Joda	Member	Y	Y	Y	Y	Y

*Ceased to be a member of theCommittee following his resignation as a Director effective March 31, 2025.

BOARD AUDIT & COMPLIANCE COMMITTEE

The Board Audit & Compliance Committee meets quarterly, and additional meetings are convened as required. The Committee met four (4) times during the 2025 financial year on 19 February, 15 April, 11 July and 16 October, 2025. Membership of the Committee and attendance at its meetings during the year were as follows:-

No.	Members	Designation	19-Feb-25	15-Apr-25	11-Jul-25	15-Oct-25
1	Mrs. Joy Ojakovo	Chairperson	Y	Y	Y	Y
2	Mr. Gift Mahubo	Member	Y	Y	Y	Y
3	Mr. Mark Adogah	Member	N	Y	Y	N
4	Mr. Yusufu Modibbo	Member	Y	Y	Y	Y

BOARD ETHICS & GOVERNANCE COMMITTEE

No.	Members	Designation	18-Feb-25	17-Apr-25	10-Jul-25	14-Oct-25
1	Professor Olayinka David-West	Chairperson	Y	Y	Y	Y
2	Mr. Mark Adogah	Member	Y	Y	Y	N
3	Mr. Brian Kuwik*	Member	Y	NLM	NLM	NLM
4	Mr. Edwin Ogbogu	Member	Y	Y	Y	Y

*Ceased to be a member of the Committee following his resignation effective March 31, 2025.

Board Channels & Technology Committee

The Board Channels & Technology Committee is required to meet as often as it deems necessary but not less than 4 times a year. The Committee met four (4) times in the 2025 financial year on 18 February, 16 April, 10 July, and 14 October 2025. Membership of the Committee and attendance at its meetings during the year were as follows:

No.	Members	Designation	18-Feb-25	16-Apr-25	10-Jul-25	14-Oct-25
1	Mr. Gift Mahubo	Chairman	Y	Y	Y	Y
2	Professor Olayinka David-West	Member	Y	N	Y	Y
3	Mr. Edwin Ogbogu	Member	Y	Y	Y	Y
4	Mr. Taiwo Joda	Member	Y	Y	Y	Y

5) DIRECTORS’ INTEREST IN SHARES

For the purposes of Sections 301 of the Companies and Allied Matters Act (CAMA), 2020, none of the Directors except the Managing Director had direct or indirect interests of Directors in the issued share capital of the Bank as recorded in the Register of members as at 31 December, 2025 and/or as notified by the Directors. The Managing Director interest is maintained under the Senior Staff Share Option Scheme and is yet to be rectified by the Central Bank of Nigeria.

6) DIRECTORS' INTEREST IN CONTRACTS

For the purpose of Section 303 of the Companies and Allied Matters Act (CAMA), 2020, none of the Directors notified the Bank of any direct or indirect interest in any contract or proposed contract with the Bank in the year under review.

7) RETIREMENT OF DIRECTORS

In accordance with S.285 (1) & (2) of the Companies and Allied Matters Act (CAMA), 2020, Prof. Olayinka David-West, and Mr. Gift Mahubo retired by rotation and being eligible for reappointment offered themselves for re-election.

These Directors were re-elected as Directors at the Bank's Annual General Meeting held on July 25, 2025. Mr. Mark Adogah and Mr. Yusufu Modibbo will be due for retirement by rotation in 2026.

8) CHANGES TO THE BOARD

Since the last Annual General Meeting held on July 25, 2025, there has been no changes to the Board. The Board is stable and uniquely positioned to provide the right level of strategic leadership and direction for the Bank. Dr. Adeola Ogunyemi was appointed as a Director while Mr. Brian Kuwik retired from the Board during the year.

9) SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members as at 31 December, 2025, the following shareholders of the Bank hold more than 5% of the issued and fully paid ordinary share capital of the Bank:

	31 December, 2025		31 December, 2024	
Shareholder	**No. of Shares**	**Shareholding (%)**	**No. of Shares**	**Shareholding (%)**
Accion Africa-Asia Investment Company	443,184,162	36.75	443,184,162	36.75
Ecobank Nigeria Ltd	269,225,436	22.33	269,225,436	22.33
Citibank Nigeria Limited	246,555,669	20.45	246,555,669	20.45
International Finance Corporation	156,010,382	12.94	156,010,382	12.94
Zenith Bank Plc	90,858,036	7.53	90,858,036	7.53
Total	**1,205,833,685**	**100.00**	**1,205,833,685**	**100.00**

10) ANALYSIS OF SHAREHOLDING

The shareholding structure of the Bank is as stated below:

As at 31 December, 2025

Range		Holders	%	Units
From	**To**			
1	100,000,000	1	20	90,858,036
100,000,001	200,000,000	1	20	156,010,382
200,000,001	400,000,000	2	40	515,781,105
400,000,001	500,000,000	1	20	443,184,162
		5	**100**	**1,205,833,685**

As at 31 December, 2024

Range		Holders	%	Units
From	**To**			
1	100,000,000	1	43	90,858,036
100,000,001	200,000,000	1	14	156,010,382
200,000,001	400,000,000	2	29	515,781,105
400,000,001	500,000,000	1	14	443,184,162
		5	**100**	**1,205,833,685**

12) CBN MINIMUM CAPITAL REQUIREMENT

In its revised circular dated 7 March 2019, the Central Bank of Nigeria (CBN) raised the minimum capital for national microfinance banks (MFBs) from N2billion to N5 billion. The Bank currently has N7.7 billion as its equity balance which meets the CBN minimum capital requirement.

13) PROPERTY AND EQUIPMENT

Information relating to changes in the Bank's property and equipment is given in Note 19 of the financial statements.

14) DONATIONS

As part of our commitment to the development of our primary community and to identify with the aspirations of various sections of the society, the Bank made contributions to charitable and non-political organisations amounting to N479,150.00 (31 December, 2024: N950,000) during the year. This comprises
contributions to health care organisations amongst others as listed below:

	31-Dec-25	31-Dec-24
	N	N
Aiyetoro Primary School Library restock	479,150	-
Salvation Army Primary School	-	300,000
Hallmark Group of School	-	400,000
Grange School Ikeja	-	250,000
	479,150	950,000

15) FRAUD AND FORGERIES

Nature of Fraud	No. of Incidence		Fraud Amount (₦)		Actual Loss to the Bank	
	2025	2024	2025	2024	2025	2024
Perpetrated by staff	3	3	66,226,800	43,311,140	37,863,813	26,556,407
Total	**3**	**3**	**66,226,800**	**43,311,140**	**37,863,813**	**26,556,407**

Perpetrated by staff

The sum of N28,362,987 (2024:N16,754,733) had been recovered from the fraud perpetrated by staff. This represents 43% (2024: 39%) recovery of the total
fraud amount. The actual loss of N37,863,813incurred n the current year (2024: 25,556,407) will be recovered from the staff guarantor.

16) HUMAN RESOURCES

EMPLOYMENT OF DISABLED PERSONS

The Bank maintains a fair policy in considering job applications from physically challenged persons, having regard to their abilities and aptitude. In the event of any member of staff becoming physically challenged, every effort will be made to ensure that their employment with the Bank continues and that appropriate training is arranged. It is the policy of the Bank that the training, career development and promotion of disabled persons should, as far as possible, be identical with those of other employees. The Bank did not employ any physically challenged person during the year.

EMPLOYEE INVOLVEMENT AND TRAINING

During the year, the Bank maintained a strong focus on employee development through targeted and relevant training initiatives. These programs were designed to strengthen core competencies, enhance professional capability, and support sustained organizational performance.

All training activities were aligned with the Bank's strategic objectives, ensuring employees are well equipped to address both current responsibilities and future challenges. Continuous capacity building remains a key corporate priority, supported by structured communication and feedback mechanisms. The training plan was implemented through a range of focused programs across key development areas, as outlined below:

External Trainings: Some of the trainings delivered externally include Fire Safety Training, Strategic Leadership in Inclusive Finance, Master Trainers' Course (MTC), Upgraded Regulatory Reporting Platform and an engaging Cybersecurity Discussion, Leadership Masterclass, Group Life Training session, Managing Risks & Frauds on Mobile Payment Platform on MfB, T24 Training Programme, Executive Program: AI for Executives, Customer Experience in a Digital First World: Mastering Omnichannel Excellence, The Future of AI in Banking, Data Protection Practitioner Course, Board Executive Program, Beyond Firewalls: Disaster Recovery, Cloud Resilience & Human-Centric Cybersecurity, Internal Control & Fraud Prevention Training, Audit Committee Seminar, Building Effective Board Programme, Water Sanitation Hygiene Product Development Training, Bold Solutions for Climate Resilience and Policy Innovation, AML/CFT/CPF Awareness & Corporate Governance Training, Chief Executive Programme (CEP), Marketing Strategies for Customer Acquisition and Retention Training, Expected Credit Loss (ECL) Training, Half-Year Economic Review Conference, Redefining Governance Support: The Strategic Role of the Company Secretary, Institute of Internal Audit Nigeria Conference 2025, Strategic AI Leadership Workshop, Practical Session on ISSB S1 & S2 Reporting Standards, Financial Alliance for Women Workshop, PRINCE2 Practitioner, ISO 22301 (BCMS) Training

In-House Trainings (KSS & LMS courses): The Bank's Learning Academy, Through the Academy, there was continuous learning for staff using a broad range of resources, including weekly Knowledge Exchange Sessions (KES), Learning Management System (LMS), and on-the-job learning. Various trainings were facilitated by staff, some who have been accredited as certified Trainers and some who are proficient in identified areas with a key focus on imparting other employees on technical skills. The training areas in the year under review were: Awareness Session on Leadway HMO Overview, Product Updates on AccionMonie, Graduate Trainee Programme (GTP), Business Implications of Lagos' Proposed Plastic & Sachet Water Ban, Accion MfB Mission, Vision, and Core Values, Accion-MFB Policy Management System (PMS) Platform, Building Skills for Leadership, Empathy, Innovations, and Customer Support, Retirement Planning Program, Agric Insurance Training, Data Protection Awareness, Graduate Trainee Programme (GTP), Accion Merchant Banking, Exploring Accion MfB's Strategic Plan (2025–2027), Men's Mental Health Matters, Graduate Trainee Programme (GTP), CX Revolution:Small changes,Big impact, Information Security Management, Documentation Review, AML/CFT Training, Refresher Course on Resolving Digital-Related Issues, Bank wide Rollout of Accion MfB Learning Management System (LMS), Graduate Trainee Programme (GTP), CSW Accion: Mission Possible, IMS_(ISO 27001) Awareness, IMS_BCMS (ISO 22301) Awareness, IMS_ITMS Awareness, IMS_ISO_Awareness Training, ISMS Awareness: Data Classification, Data Labelling and Document Control. LMS Courses include: Introduction to Data Science, Design Thinking, Leadership and people management, Effective Communication Skills, Product Management, Infrastructure Technology, Marketing Communications, Maximizing Personal Productivity: Effective Time Management and Prioritization, Mediation and Conflict Resolution, The Accion Merchant PoS Terminal_LMP, ESG-Compliance, Data Protection Awareness, AML-CFT, AccionMonie_User Guide_Customer Education, Customer Experience, Cross Selling Skills, Stress Management, Corporate Account Opening, Fraud and Forgeries (Awareness & Control), Third party Cheque Management, Product Delivery, Scrum and Clickup, Graduate Training Program, Business Etiquette IT Governance

HEALTH, SAFETY AND WELFARE OF EMPLOYEES:

The Bank maintains business premises designed with a view to guarantee the safety and healthy working conditions of her employees and customers alike. Employees are adequately insured against occupational and other hazards. The Bank has in place enlightenment programs/publications designed to equip staff members with basic health management tips and fire prevention tips. Also, fire prevention and firefighting equipment's are installed in strategic locations within the Bank's premises.

17) EMPLOYEE AND DIRECTOR INFORMATION

The number and percentage of men and women employed in the Bank during the year ended 31 December, 2025 and the comparative year were as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Employees (2025)	379	434	813	47%	53%
Employees (2024)	382	450	832		54%
Top Management (2025)	12	6	18	67%	33%
Top Management (2024)	10	5	15	67%	33%
Board					
Executive Directors (2025)	1	-	1	100%	0%
Executive Directors (2024)	1	-	1	100%	0%
Non -Executive Directors (2025)	6	3	9	67%	33%
Non -Executive Directors (2024)	6	3	9	67%	33%

i) The analysis by grade of employees is as shown below:

	31 December, 2025			31 December, 2024		
GRADE LEVEL	Male	Female	Total	Male	Female	Total
Manager (M)	2	2	4	1	2	3
Senior Manager (SM)	2	3	5	1	2	3
Assistant General Manager (AGM)	2	1	3	1	1	2
Senior Assistant General Manager (SAGM)	-	-		2	-	2
Deputy General Manager (DGM)	4	-	4	2	-	2
General Manager (GM)	-	1	1	1	1	2
Senior General Manager (SGM)	1	-	1	2	-	2
TOTAL	**11**	**7**	**18**	**10**	**6**	**16**

ii) Analysis of Directors by gender:

	31 December, 2025			31 December, 2024		
	Male	Female	Total	Male	Female	Total
Managing Director	1	-	1	1	-	1
Non - Executive Directors	6	3	9	6	3	9
TOTAL	**7**	**3**	**10**	**7**	**3**	**10**

18) OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations. Beyond the resilient plans and control standards that the Bank has in place, the Risk Management unit maintains a Bank wide operational risk register in order to conform to the Bank's Enterprise Risk Management framework and the requirement of the Central Bank of Nigeria (CBN). The register is regularly reviewed and updated to ensure that potential risk are identified
on time and remedial actions quickly taken to mitigate them.

19) COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Bank has processes in place to ensure compliance with the Corporate Governance Code of the Central Bank of Nigeria and the Financial Reporting Council ("the Council") and, in this regard, the Board has submitted its report thereon to the Commission for the year ended 31 December, 2025.

20) ACQUISITION OF OWN SHARES

From the pool of issued shares available to employees (senior staffs) of the Bank, 1,574,015 units are held by the Bank's Senior staff as at year end (2024: 1,574,015). No units of ordinary shares was sold to staff during the year.

21) EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events which could have a material effect on the financial position of the Bank as at 31 December, 2025 or the profit for the year then ended, that have not been adequately provided for or disclosed in the financial statements.

22) INDEPENDENT AUDITOR

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Bank. In accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020, therefore, the auditors will be re-appointed at the next annual general meeting of the Bank without any resolution been passed.

BY ORDER OF THE BOARD

Oluwatosin Aoko
Head Legal/Company Secretary
FRC/2024/PRO/NBA/002/460101
25 February 2025

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Accion Microfinance Bank Limited ("the Bank") remains committed to institutionalising corporate governance principles. For the Bank, Corporate Governance is not an end in itself but an essential enabler for value creation whilst propagating a value-led culture, high behavioural standards and robust procedures as fundamental tools in the entrenchment of a strong corporate governance framework. As a Limited Company, we remain dedicated to our duties and pledge to safeguard and increase investor value through transparent corporate governance practices.

The Bank is governed under a framework that enables the Board to discharge its oversight functions while providing strategic directions to the Bank in balance with its responsibility to ensure regulatory compliance.

In the year under review, the Bank complied with the provisions of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Other Financial Institutions. The Bank also submitted periodic returns to the CBN, the Corporate Affairs Commission (CAC) and Nigerian Deposit Insurance Corporation (NDIC).

GOVERNANCE STRUCTURES

THE BOARD

The Board is responsible for embedding high standards of corporate governance across the Bank. The Board recognises that effective corporate governance is a key imperative to achieving the sustainable growth of the Bank.
The Board plays a central role in conjunction with Management in ensuring that the Bank is financially strong. This synergy between the Board and management fosters interactive dialogue in setting broad policy guidelines in the running of the Bank to enhance optimal performance and ensure that associated risk are well managed.

The Board of Directors currently consists of (9) members as stated below:

Executive Director	1
Non-Executive Directors	8 (Inclusive of 3 Independent Directors)

THE ROLE OF THE BOARD

The traditional role of the Bank's Board is to provide the Bank with leadership within a framework of prudent and effective controls which enables risk to be assessed and managed while deploying the Bank's resources to profitable use. The Board outlines the Bank's strategic and corporate aims, ensures that the necessary financial and human resources are in place for the Bank to meet its objectives and reviews management performance on a continuous basis. The Board also sets the Bank's values and standards and ensures that its obligations to its shareholders and others are understood and met.

RESPONSIBILITIES

The Board is accountable to the Shareholders and continues to play a key role in governance. It is the responsibility of the Board of Directors to endorse the Bank's organisational strategy, develop directional policy, appoint, supervise and remunerate senior executives and ensure accountability of the Bank to its stakeholders and regulatory authorities. The Board is responsible for providing stable and effective leadership for the Bank, to facilitate achievement of its corporate operating objectives.

The roles of the Chairman and Managing Director/Chief Executive Officer are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman facilitates the contributions of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors both inside and outside the Boardroom.

The Board has delegated the responsibility for the day to day management of the Bank to the Managing Director/Chief Executive Officer, who is supported by the Executive Management. The Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board and the Executive Management is accountable to the Board for the development and implementation of strategies and policies.

BOARD REMUNERATION POLICY

The policy aims to achieve the following amongst others:
i. Motivate the Directors to promote the right balance between short and long term growth objectives of the Bank while maximizing shareholders' return;
ii. Enable the Bank attract and retain Directors with integrity, ability, experience and skills to deliver the Bank's strategy;
iii. Promote compliance with global regulatory trends and governance requirements, with emphasis on long-term sustainability;
iv. Align individual rewards with the Bank's performance, the interests of shareholders, and a prudent approach to risk management;
v. Ensure that remuneration arrangements are equitable, transparent, well communicated, easily understood, aligned with the interest of shareholders and adequately disclosed.

The remuneration of Non-Executive Directors is structured:
i. To conform to prevailing regulations and is set at a level that is at par with market developments, reflects their qualifications, the contributions required and the extent of their responsibilities and liabilities.
ii. To encourage attendance and participation at designated committees assigned to them Directors are paid an annual fee which is approved by Shareholders at the Annual General Meeting in each year and is paid quarterly in arrears.
All Non-Executive Directors also receive a sitting allowance for each meeting including ad-hoc meetings attended by them but do not receive any performance incentive payments.

The Bank shall periodically benchmark its board remuneration practices against peer organizations whose business profiles are similar to that of the Bank. Fees payable to Non-Executive directors (excluding Independent Directors) who represent shareholders shall be paid directly to the shareholders.

The Bank's remuneration policy sets out the criteria and mechanism for determining the levels of remuneration of the Directors of the Bank and also defines the process for determining Executive Directors compensations and rewards for corporate and individual performance. The policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year.
It includes:

Remuneration class	Description	Entitled Directors	Timing
Basic Salary/Allowances	Reflects the industry competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Executive Directors only	Monthly/Annually
Performance Incentive	This is awarded based on the performance of the Bank and individual Directors.	Executive Directors only	Annually
Directors' fees	Annual Payments approved at the Annual General Meeting	Non-Executive Directors only	Annually
Sitting allowances	Allowances paid for attending board and board committee meetings	Non-Executive Directors only	Paid at every sitting at board and board committee meetings

Key elements of Non-Executive Directors' remuneration arrangements:

Components	Objective	Payment Mode
Annual Fee	To attract individuals with relevant skills, knowledge and experience	Annually
Sitting Allowance	· To recognize the responsibilities of the Non-Executive Directors • To encourage attendance and participation at designated committees assigned to them	Per Meeting

by members at the last Annual General Meeting. This excludes sitting allowance and other allowances for meetings attended.

BOARD MEETINGS

To ensure the Board's effectiveness throughout the year, an annual meeting and task calendar is developed at the beginning of each year. These calendars do not only focus on the activities of the Board but also establish benchmarks against which its performance can be evaluated at the end of the year.

The Board meets quarterly and additional meetings are convened as the need arises. In furtherance of its roles, the Board met five (5) times in the year under review on 22 February 22 April, 25 July, 22 October, and 05 December, 2025. Attendance at the Board meetings during the year were as follows:

No	Members	Designation	No. of Meetings	Attendance
1	Mr. Christian Ruehmer	Chairman	5	5
2	Mr. Taiwo Joda	Managing Director	5	5
3	Mr. Mark Adogah	Non-Executive Director	5	4
4	Mr. Gift Mahubo	Non-Executive Director	5	5
5	Mr. Brian Kuwik*	Non-Executive Director	5	0
6	Professor Olayinka David-West	Non-Executive (Independent) Director	5	5
7	Mr. Edwin Ogbogu	Non-Executive Director	5	5
8	Mr. Yusufu Modibbo	Non-Executive (Independent) Director	5	5
9	Mrs. Joy Ojakovo	Non-Executive (Independent) Director	5	5
10	Dr. Adeola Ogunyemi**	Non-Executive Director	5	3

*Resigned as a Director effective March 31, 2025
**Appointed as a Director effective May 13, 2025

DIRECTORS' PERFORMANCE EVALUATION

The Board Governance Committee, oversees a formal evaluation process to assess the composition and performance of the Board, each Committee and individual Directors on an annual basis. The assessment is conducted to ensure the Board, Committees and individual members are effective and productive and to identify opportunities for improvement.

As part of the process, each member completes a detailed and thorough questionnaire and each member also participates in an oral interview/conversation session as a follow up to the completion of the questionnaire. The Board Governance Committee reports annually to the full Board with result of the evaluation exercise. The recommendations of the performance evaluation are considered by the Board and are implemented as required.

In compliance with the requirement of the Central Bank of Nigeria (CBN) Code of Corporate Governance, the Board commissioned the DCSL Corporate Services Limited to carry out Board evaluation for the financial year ended 31 December 2025.
Their report will be forwarded to the CBN and will be communicated to shareholders at the Annual General Meeting.

TENURE OF DIRECTORS

In pursuance of the Bank's drive to continually imbibe best Corporate Governance practices, the tenure of the Non-Executive Directors is limited to a maximum of three (3) terms of four (4) years each and Independent Directors tenure is 4 years for a single term and a maximum of two consecutive terms if re-elected upon expiration of 1st term. This allows for the injection of fresh perspectives to the business of the Board.

INDUCTION AND CONTINUOUS TRAINING

The Bank has in place a formal induction program for newly appointed Directors. This induction which is arranged by the Bank Secretary includes presentation by Senior Management staff to assist Directors in building a detailed understanding of the Bank's operations, its strategic plan, business environment and key issues faced by the Bank and to introduce directors to their fiduciary duties and responsibilities.

Training and Education of Directors on issues pertaining to their oversight function is a continuous process in order to update their knowledge and skills and keep them informed of new developments in the Bank's business and operating environment. These trainings are carried out through external, local and international courses. The trainings attended during the year under review are as follows:

Facilitating Institution	Topics	Location
Accion Africa-Asia Invesntment Company	The 2026 Harvard Business School-Accion Program on Strategic Leadership in Inclusive Finance	Boston, USA
DCSL Corporate Services Limited	Audit Committee Training on Strengthening Audit Governance: Risk Management and Strategic Oversight	Hybrid

All Directors attended the training course in the year under review.

BOARD COMMITTEES

The responsibilities of the Board are further accomplished through four (4) standing Committees. Through these committees, the Board is able to effectively deal with complex and specialised issues and fully utilise its expertise to formulate strategies for the Bank. These committees have clearly defined terms of reference setting out their roles, responsibilities, functions and reporting procedures to the Board.

The Board committees in operation during the year under review were:
- Board Risk, Credit & Investment Committee
- Board Audit & Compliance Committee
- Board Governance Committee
- Board Channels &Technology Committee

The roles and responsibilities of these committees are discussed below:

Board Risk, Credit & Investment Committee

This Committee has the responsibility to protect the interest of the Bank's shareholders and other stakeholders. This Committee is charged with exercising the full powers of the Board with respect to the investment of the Bank's assets and set the tolerance level for risk. This responsibility of the Committee also covers oversight of operations, financial performance and reporting as well as regulatory compliance and risk management issues as contained in its Charter namely:-

- Ensuring that sound policies, procedures and practices are in place for the risk-wide management of the Bank's material risks and to report the results of the Committee's activities to the Board of Directors.
- Design and implement risk management practices, specifically provide ongoing guidance and support for the refinement of the overall risk management frame-work and ensuring that best practices are incorporated
- Ensure that Management understands and accepts its responsibility for identifying, assessing and managing risk
- Ensure and monitor risk management practices, specifically determine which enterprise risks are most significant and approve resource allocation for risk monitoring and improvement activities, assign risk owners and approve action plans;
- Periodically review and monitor risk mitigation process and periodically review and report to the Board of Directors
    - --- magnitude of all material business risks;

- --- the processes, procedures and controls in place to manage material risks;
- --- the overall effectiveness of the risk management process;

- Facilitate the development of a comprehensive risk management framework for the Bank and develop the risk management policies and processes and enforce its compliance.
- To establish and periodically review the bank's risk portfolio in order to align organizational strategies, goals, and performance.
- To evaluate on a periodic basis the components of risk as well as market competitive data and other factors as deemed appropriate, and to determine the risk level based upon this evaluation.
- To serve as the Board Credit Committee for the Bank and approve all credit facilities above Management approval limit together with such other functions that is required by a Board Credit Committee from time to time.
- To establish and periodically review the Bank's credit policy and portfolio in order to align organizational strategies, goals and performance;
- To recommend non-performing credits for write-off by the Board.
- To select and retain independent experts and consultants in the field of risk analysis subject to Board's approval, to advise with respect to market data and assist the Committee with its duties, and to approve fees and set terms of engagement for such consultants.
- To report to the entire Board at such times as the Committee and Board shall determine, but not less than four times in a year.
- To perform such other duties and responsibilities as the Board of Directors may assign from time to time.

The Committee meets at least once in each quarter. However, additional meetings are convened as required. The Committee met five (5) times in the 2025 financial year on 16 February, 15 April, 11 July, 15 October and 1 December, 2025. Membership of the Committee and attendance at its meetings during the year were as follows:

No.	Members	Designation	No. of Meetings	Attendance
1	Mr. Yusufu Modibbo	Chairman	5	5
2	Mrs. Joy Ojakovo	Chairman	5	5
3	Mr. Brian Kuwik*	Member	5	1
4	Mr. Taiwo Joda	Member	5	4

*Ceased to be a member of the Committee following his resignation effective March 31, 2025.

Board Audit & Compliance Committee

The overall purpose of this Committee is to drive the Board functions in the areas of oversight for the integrity financial reporting, oversight of the performance of internal and external audits as well as ensuring compliance to all legal and regulatory requirements and the appointment of the external auditors. To fulfil its responsibilities and carry out its duties, this Committee carries out the following functions:

- Review the Bank's annual financial statements and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the external auditors

- Review the regular internal reports to management prepared by the Internal Audit Department and management's response.
- Review on an annual basis with the external auditors all significant relationships the external auditors have with the Bank to determine the external auditors' independence.
- Review the performance of the Bank's independent accountants and approve any proposed discharge of the independent accountants when circumstances warrant.
- Periodically consult with the independent accountants out of the presence of management about internal controls and the fullness and accuracy of the organization's financial statements.
- In consultation with the external auditors and the internal auditors, review the integrity of the Bank's financial reporting processes, both internal and
- Consider the independent accountants' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting and further consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent accountants, management, or the Internal Audit Department.
- Review the annual audited financial statements of the Bank prior to their submission to the Board and meet with auditor to discuss the statements without the presence of management.
- Establish regular and separate systems of reporting to the Committee by each of management, the external auditors and the internal auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
- Following completion of the annual audit, review separately with each of management, the independent accountants and the Internal Audit Department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review any significant disagreement among management and the independent accountants or the Internal Audit Department in connection with the preparation of the financial statements.
- Review with the external auditors, the Internal Audit Department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- Establish, review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code.
- Obtain reports from management, the Internal Auditor and the External Auditors regarding compliance with all applicable legal and regulatory
- Review management's monitoring of the Bank's compliance with the Bank's Ethical Code, and ensure that management has the proper review system in place to ensure that Bank's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
- Review reports and disclosures of insider and related person transactions.
- Review with management and any internal or external counsel that the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the financial statements or the Bank's compliance policies with the Bank's counsel.
- Review activities, organizational structure, and qualifications of the internal audit

department.

- Review, with the organization's counsel, legal compliance matters including corporate securities trading policies.
- Review, with the organization's counsel, any legal matter that could have a significant impact on the organization's financial statements.
- Perform any other duties to ensure compliance with all applicable laws, regulations and operating standards.
- Review internal controls including financial, business controls and oversee the risk management framework and processes.
- Assess on an annual basis with independent opinion where required, the adequacy and effectiveness of the Bank's internal controls including but not limited to Management Information System (MIS) controls and security matters with management and External Auditors.

The Board Audit & Compliance Committee meets quarterly, and additional meetings are convened as required. The Committee met four (4) times during the 2025 financial year on 19 February, 15 April, 11 July and 16 October, 2025. Membership of the Committee and attendance at its meetings during the year were as follows:-

No.	Members	Designation	No. of Meetings	Attendance
1	Mrs. Joy Ojakovo	Chairperson	4	4
2	Mr. Gift Mahubo	Member	4	4
3	Mr. Mark Adogah	Member	4	2
4	Mr. Yusufu Modibbo	Member	4	4

Board Governance Committee

The purpose of this Committee is to assist the Board in:
Identification, approval and recommendation of individuals qualified to become members of the Board to the Board of Directors.

- Develop, update as applicable and make recommendations to the Board on corporate governance principles and policies as applicable to the Bank.
- Identify and make recommendations to the Board for approval on staff welfare, conditions of service, administrative and/or ethical issues as may arise.
- Review the Bank's organisational structure and make recommendation to the Board for approval.
- Regular monitoring of compliance with Bank's code of ethics and business conduct for Directors. Ensure annual appraisal of the Board's performance conducted by an independent Consultant. This review/appraisal shall cover all aspects of the Board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship towards shareholders.

Ensuring that a corporate governance audit is carried out annually by an independent Consultant and recommendations presented to the Board for implementation. Continuous development, review and assessment of the system of Corporate Governance in the Bank as well as appropriate recommendations to the Board in this regard.

- Annually review and make recommendations to the Board regarding the remuneration of staff and the Board
- Review and continuous assessment of the size and composition of the Board and Board Committees and recommend the appropriate Board structure, size, age, skills, competencies, composition, knowledge, experience and background in line with needs of the group and diversity required to fully discharge the Board's duties
- Responsible for the oversight of strategic people issues, including employee retention, equality and diversity as well as other significant employee relations matters; review and make recommendations on succession planning, confirmation of top management staff

The Committee met four (4) times during the 2025 financial year on 18 February, 17 April, 10 July and 14 October 2025. Members of the Committee and attendance at its meetings during the year were as follows:-

No.	Members	Designation	No. of Meetings	Attendance
1	Professor Olayinka David-West	Chairperson	4	4
2	Mr. Edwin Ogbogwu	Member	4	4
3	Mr. Mark Adogah	Member	4	3
4	Mr. Brian Kuwik*	Member	4	1

*Ceased to be a member of the Committee following his resignation effective March 31, 2025

Board Channels & Technology Committee

The purpose of this Committee is to provide assistance to the Board among other matters, in its oversight of the Bank's channels and technology strategy and significant investments in support of such strategy and channels and technology risk.

The responsibilities of the Committee are:

- **Oversight of Strategic Management:** The Committee shall continue to review the implementation of the Bank's channels and technology strategy.
- **Oversight of Risk Optimization:** The Committee is expected to ensure that a technology risk management framework exists to identify, analyse, mitigate, manage, monitor, and communicate technology related business risk, and that the framework for technology risk management is in alignment with the enterprise risk management (ERM) framework.

- **Oversight of Technology Benefits Realization:** Ensure that technology-enabled investments are managed to deliver optimized business benefits and that benefit realization outcome and performance measures are established, evaluated and progress is reported. To facilitate its oversight functions, the Committee will receive reports to ensure that:

- Technology-enabled investments are managed as a portfolio of investments
- Technology-enabled investments are managed through their economic life cycle to achieve business benefit
- Business ownership and accountability for technology-enabled investments are established

- Technology -enabled investment portfolios, technology processes and technology services are evaluated and benchmarked to achieve business benefit
- Outcome and performance measures are established and evaluated to assess progress towards the achievement of enterprise and technology objectives
- Improvement initiatives are identified, prioritised, initiated and managed based on outcome and performance measures

The Board Channels & Technology Committee is required to meet as often as it deems necessary but not less than 4 times a year. The Committee met four (4) times in the 2025 financial year on 18 February, 16 April, 10 July, and 14 October 2025. Membership of the Committee and attendance at its meetings during the year were as follows:

No.	Members	Designation	No. of Meetings	Attendance
1	Mr. Gift Mahubo	Chairman	4	4
2	Professor Olayinka David-West	Member	4	3
3	Mr. Edwin Ogbogu	Member	4	4
4	Mr. Taiwo Joda	Member	4	4

MANAGEMENT COMMITTEES

The committees comprise senior management staff of the Bank. These committees provide inputs for the respective Board committees of the Bank and ensure that recommendations of the Board committees are effectively and efficiently implemented.

They meet as frequently as necessary to take action and decisions within the confines of their powers. The standing management committees are:-

- Assets and Liabilities Committee
- Appraisal Committee
- Bank Disciplinary Committee
- Digital and IT Steering Committee
- Information Security Steering Committee
- Management Credit Committee

ASSETS AND LIABILITIES COMMITTEE

It is responsible for reviewing and monitoring the deployment of the Bank's assets for optimal returns while also ensuring a balance in the Bank's liabilities and that they are safe guarded. The Asset and Liability Committee meets quarterly or as required to analyse and make recommendations on risks arising from day to day activities of the Bank. The Committee also establishes standards and policies covering the various components of the Bank's assets and liabilities. The members of the Committee include Managing Director/CEO, Chief Commercial Officer, Group Head, Operations, Head Risk, Control and Compliance, Head IT, Chief Digital Officer, Chief Finance Officer and Head Legal

APPRAISAL COMMITTEE

The Committee considers issues pertaining to performance appraisal and makes recommendation to management as deemed appropriate.
The members of the Committee include the Chief Finance Officer, Chief Information

Officer, Head, Legal, Chief Risk Control and Compliance, Head, HR

BANK DISCIPLINARY COMMITTEE

This Committee is responsible for considering investigation reports of incidences regarding employee misconduct, considering signed confession/statement of misconduct by the alleged employee and allowing for fair hearing.

The Bank Disciplinary Committee (BDC) also recommends appropriate disciplinary action to EXCO/MD..

The members of the Committee include the Head of Legal department, Head, Human Resources and All Group Heads, with the exclusion of Head of Internal Audit who present each case to the Committee

Digital and IT Steering Committee

This Committee is responsible for amongst others, development of corporate information technology (IT) strategies and projects that ensure cost effective application and management of resources throughout the organisation. The Committee also reviews for management's recommendation to the Board Channels &Technology Committee, new and existing bank products and its features. The members of the Committee includes the Managing Director/CEO, Chief Digital Officer, Chief Finance Officer, Head, IT, Chief Commercial Officer, Group Head, Operations, Head, Value Chain Partnership & Product Development and Head, Risk, Control & Compliance.

INFORMATION SECURITY STEERING COMMITTEE

This Committee is responsible for amongst others, providing organizational framework for institutional governance on information risk which, includes but not limited to, Information Security (protection of all information and information assets) and Information Privacy (ensuring appropriate protection, use and dis semination of personal information). The Committee also helps in ensuring the Bank's security policies and procedures align with business objectives as well as help determine the Bank's cyber and information security risk management strategy. The members of the Committee includes the Chief Information Security Officer, Managing Director/CEO, Chief Digital Officer, Chief Operating Officer, Chief Finance Officer, Head, IT, Chief Commercial Officer, Head, Risk, Control & Compliance and Head, Internal Audit.

Management Credit Committee

The Committee is responsible for ensuring that the Bank complies fully with the Credit Policy guidelines as laid down by the Board of Directors. The Committee also reviews and approves credit facilities not exceeding an aggregate sum to be determined by the Board from time to time. The Committee is saddled with the responsibility of ensuring that adequate monitoring and recovery of credit is carried out. The members of the Committee includes the Managing Director/CEO, Chief Commercial Officer, Head, Business Banking, Head, Value Chain Partnership & Product Development, Head, Risk, Control & Compliance and Head, SME Banking.

Management Committee Meeting Attendance

The Management Committee met 33 (thirty-three) times in the year under review. Attendance at the meetings during the year were as follows:

No	Members	Designation	No. of Meetings	Attendance
1	Taiwo Joda	Managing Director	34	24
2	Paul Ehiagbonare*	Chief Digital Officer	34	30
3	Stephen Olalere	Chief Commercial Officer	34	28
4	Adeola Adebisi**	Chief Finance Officer	34	16
5	Afolashade Odunlami	Head, Financial and Regulatory Reporting	34	26
6	Ugochi Okafor	Head, Human Resources	34	26
7	Emeka Uzowulu	Head, Lagos Bank 2	34	29
8	Amaechi Madu	Regional Bank Head SS/SE	34	29
9	Oluwatosin Aoko	Head, Legal/Company Secretary	34	32
10	Omoyeni Melia	Head, Learning & Development	34	31
11	Ayodeji Mebude	Head, Acquiring Business	34	30
12	Kazeem Bisiriyu	Chief Risk and Compliance Officer	34	28
13	Ighoakpo Eduje***	Chief Information Security Officer	34	6
14	Bridget Abhulimen****	Chief Information Security Officer	34	14
15	Adeoye Adeniyi*****	Regional Bank Head, South West	34	29
16	Oluwole Oyedele******	Head, Internal Audit	34	20
17	Yewande Faleyimu	Regional Bank Head, Lagos 2	34	32
18	Moses Idehen	Chief Technology Officer	34	31
19	Peter Okordion	Business Transformation and Innovation Manager	34	34
20	Emmanuel Adie	Area Manager, Kaduna	34	30
21	Mercy Olugbesan	Area Manager, Abuja	34	30
22	Abdulateef Mohammed	Head Office Operations Manager	34	24
23	Oluwasegun Owoade	Head, IT Operations	34	23
24	Ayomi Temisam	Secretary to the Committee	34	12
25	Ubokobong Arthur	Secretary to the Committee	34	24

*he left the service of the Bank December 31, 2025
**he resumed from sick leave on June 2, 2025
***he left the service of the Bank April, 2025
****she joined the Bank August 01, 2025
*****he joined the Bank February 3, 2025
******he joined the Bank May 19, 2025

Assets and Liability Management Committee Meetings 2025

The Assets and Liability Management Committee (ALCO) meets quarterly and additional meetings are convened as the need arises. In furtherance of its roles, the Committee met three (3) times in the year under review on March 26, September 9, and November 17 2025. Attendance at the Committee meetings during the year were as follows:

No	Members	Designation	No. of Meetings	Attendance
1	Taiwo Joda	Managing Director	3	3
2	Stephen Olalere	Chief Commercial Officer	3	2
3	Adeola Adebisi	Chief Finance Officer	3	2
4	Afolashade Odunlami	Head, Financial and Regulatory Reporting	3	1
5	Ugochi Okafor	Head, Human Resources	3	3
6	Emeka Uzowulu	Head, Lagos Bank 2	3	3
7	Kazeem Bisiriyu	Chief Risk and Compliance Officer	3	3
8	Ayodeji Mebude	Group Head, Operations	3	3
9	Oluwole Oyedele*	Head, Internal Audit	3	2
10	Bridget Abhulimen**	Chief Information Security Officer	3	1
11	Moses Idehen	Chief Technology Officer	3	2
12	Oluwatosin Aoko	Head, Legal/Company Secretary	3	3
13	Amachi Madu	Regional Bank Head SS/SE	3	2

*Joined the Bank May 19, 2025
**Joined the Bank August 1, 2025

Digital & IT Steering Committee Meetings 2025
Information Security Steering Committee 2025 Committee Meetings

The Digital and IT Steering Committee meets quarterly and additional meetings are convened as the need arises. In furtherance of its roles, the Committee met three (3) times in the year under review on March 26, September 9, and November 17 2025. Attendance at the Committee meetings during the year were as follows:

No	Members	Designation	No. of Meetings	Attendance
1	Taiwo Joda	Managing Director	3	3
2	Paul Ehiagbonare*	Chief Digital Officer	3	3
3	Stephen Olalere	Chief Commercial Officer	3	2
4	Moses Idehen	Chief Technology Officer	3	3
5	Afolasade Odunlami	Head of Finance & Regulatory Reporting	3	1
6	Ayodeji Medube	Group Head, Operations	3	3
7	Peter Okordion	Business Transformation and Innovations Manager	3	3
8	Kazeem Bisiriyu	Chief Risk and Commercial Officer	3	1
9	Okoro Ogaga Godspower	Information System Auditor	3	2
10	Akeem Sofade	Team Lead, Service Management	3	3
11	Ighoakpo Eduje**	Erstwile Chief Information Security Officer	3	1
12	Bridget Abhulimen***	Chief Information Security Officer	3	2
13	Oluwole Oyedele****	Head, Internal Audit	3	2
14	Oluwatobi Awe	Data Protection Officer	3	3
15	Chinenye Onwujuba	Team Lead, Project Management Office	3	3
16	Paulinus Ako	Head, Compliance	3	2
17	Ubokobong Arthur	Secretary to the Committee	3	3

*He left the service of the Bank December 31, 2025
**He left the service of the Bank April 2025
***Joined the Bank August 1, 2025
****Joined the Bank May 19, 2025

Information Security Steering Committee 2025 Committee Meetings

The Information Security Steering Committee meets quarterly and additional meetings are convened as the need arises. In furtherance of its roles, the Committee met three (3) times in the year under review on March 26, September 3, and November 17 2025. Attendance at the Committee meetings during the year were as follows:

S/N	Members	Designation	No. of Meetings	Attendance
1	Taiwo Joda	Managing Director	3	3
2	Paul Ehiagbonare	Chief Digital Officer	3	3
3	Stephen Olalere	Chief Commercial Officer	3	3
4	Afolasade Odunlami	Head of Finance & Regulatory Reporting	3	1
5	Moses Idehen	Chief Technology Officer	3	3
6	Ayodeji Medube	Group Head, Operations	3	3
7	Peter Okordion	Business Transformation and Innovations Manager	3	3
8	Kazeem Bisiriyu	Chief Risk and Commercial Officer	3	1
9	Okoro Ogaga Godspower	Information System Auditor	3	2
10	Akeem Shofade	Team Lead, Service Management	3	3
11	Ighoakpo Eduje*	Erstwile Chief Information Security Officer	3	1
12	Bridget Abhulimen**	Chief Information Security Officer	3	2
13	Oluwole Oyedele	Head, Internal Audit	3	2
14	Oluwatobi Awe	Data Protection Officer	3	3
15	Paulinus Ako	Head, Compliance	3	2
16	Ubokobong Arthur	Secretary to the Committee	3	3

*Resigned from the Bank April 2025
**Joined the Bank August 1, 2025

Bank Disciplinary Committee

The Bank Disciplinary Committee meetings are convened as the need arises. Attendance at the Committee meetings during the year were as follows:

s/n	Members	Designation	Role	No of Meetings	Attendance
1	Ayodeji Mebude	Group Head, Operations	BDC Chairperson	9	9
2	Omoyeni Melia	Head, Learning & Development	BDC Alternate Chairperson	9	6
3	Anuoluwapo Adenekan	HR Business Partner	BDC Secretary	9	9
4	Oluwatosin Aoko	Head of Legal/Company Secretary	BDC Member	9	8
5	Kazeem Bisiriyu	Chief Risk & Compliance Officer	BDC Member	9	5
6	Ugochi Okafor	Head, Human Resources	BDC Member	9	9
7	Adeola Adebisi	Chief Financial Officer	BDC Member	9	-
8	Stephen Olalere	Chief Commercial Officer	BDC Member	9	5
9	Moses Idehen	Chief Technology Officer	BDC Member	9	5
10	Paul Ehiagbonare	Chief Digital Officer	BDC Member	9	-
11	Yewande Faleyimu	Regional Bank Head, Lagos 1	Management Staff	9	5
12	Emeka Uzowulu	Regional Bank Head, Lagos 2	Management Staff	9	1
13	Amaechi Madu	Regional Bank Head, SS/SE	Management Staff	9	5
14	Abdulateef Mohammed	Regional Operations Manager	Management Staff	9	3
15	Anita Ogunni	AG Head, Marketing Communications	Management Staff	9	3
16	Paul Ako	Head, ESG	BDC Member REP	9	3
17	Ayomi Temisan	Legal Officer	BDC Member REP	9	1
18	Akeem Sofade	Team Lead, Service Management	BDC Member REP	9	2
19	Oluwole Oyedele	Head of Internal Audit	Investigator	9	3
20	Fimber Ugwu	Fraud Desk Officer	Investigator	9	4
21	Olajumoke Obadan	Audit Inspector	Investigator	9	9
22	Ememobong Eniang	Team Lead, Branch Audit	Investigator	9	5
23	Eghosa Asemota	Audit Inspector	Investigator	9	1

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Accion Microfinance Bank is committed to the highest standards of corporate governance, ethical conduct, and sustainable business practices. In 2025, the Bank strengthened its

governance framework while advancing key CSR initiatives and reinforcing a culture of integrity and accountability. These efforts support long-term value creation, stakeholder confidence, and positive social impact.
In 2025, the Bank implemented the following corporate social responsibility initiatives:

Sustained Corporate Governance Practices
During the 2025 financial year, Accion MfB continued to advance its corporate governance framework, reinforcing a culture of transparency, accountability, and responsible leadership. These efforts were aimed at deepening the effectiveness of the Bank's governance structures and were concentrated on the following core areas:

Employment and Labour Relations: The bank ensured fair employment practices, equal opportunity, and a conducive work environment for all employees.

Human Rights: Accion MfB upheld its commitment to respecting and protecting human rights in line with applicable laws and international best practices. The Bank integrated human rights considerations into its policies and operations, including fair treatment of employees and customers, non-discrimination, and responsible business conduct, thereby fostering a respectful and inclusive workplace and service environment.

Anti-Bribery and Corruption: In 2025, the Bank reinforced its zero-tolerance stance on bribery and corruption through the implementation of robust policies, staff awareness, and ongoing compliance monitoring. Regular training and internal controls were applied to prevent, detect, and address corrupt practices, supporting ethical decision-making and regulatory compliance across all business activities.

Whistle-Blowing Processes: Accion MfB strengthened its whistle-blowing framework in 2025 to encourage the reporting of unethical or improper conduct in a safe and confidential manner. The Bank maintained secure reporting channels and ensured protection against retaliation, while promoting awareness of whistle-blowing procedures to enhance transparency, accountability, and early detection of misconduct.

Corporate Social Responsibility (CSR) Initiatives

Accion MfB actively contributed to environmental protection, education, and welfare development as part of its CSR agenda in 2025. The bank's impactful initiatives include:

1. Environmental Protection:

In 2025, Accion MfB strengthened its environmental stewardship through initiatives focused on sustainable operations, environmental
awareness, and regulatory compliance. The Bank also promoted paper reduction, responsible waste disposal, and energy-efficient practices across its branches to minimise its environmental footprint
a) NESREA Environmental audit exercise: Notably, the Bank successfully completed the NESREA environmental audit covering the periods 2022–2024 and 2025–2027, demonstrating compliance with applicable environmental regulations and reinforcing its commitment to responsible environmental management.
b) Sustainability Initiative – Production of Tote Bags to Replace Nylon Bags: As part of its sustainability drive in 2025, Accion MfB introduced the production and distribution of branded reusable tote bags to discourage the use of single-use nylon and plastic bags. This initiative supports environmental protection by promoting reusable alternatives,

reducing plastic waste, and raising awareness among customers and communities on sustainable consumption practices. The programme reinforces the Bank's commitment to environmentally responsible operations and aligns with national and global efforts to reduce plastic pollution.

c) World Environment Day: In 2025, Accion MfB marked World Environment Day by organizing community clean-up exercises that engaged staff, customers, and local residents. The initiative focused on litter collection, sanitation awareness, and promoting environmental stewardship within host communities. By aligning with NESREA's environmental advocacy and national sustainability goals, the Bank reinforced its commitment to responsible environmental practices and community engagement.

2. Education:

a) Every Child A Uniform: The Every Child, A Uniform initiative involved the provision of School uniforms to hundreds of school uniforms to Students in Lagos and other states of our Operations. An instance was the exercise in Lagos where the Bank provided brand-new uniforms to 500 students at Salvation Army School in Ayobo, Lagos state. Led by NYSC member Favour Aina, the initiative embodied the Bank's commitment to fostering pride and opportunity for every young leader.

b) Digital Skills Boot Camp – Women's Month: In 2025, as part of its Women's Month celebrations, Accion MfB organized a Digital Skills Boot Camp to empower women with essential digital and financial skills. The programme provided training on digital tools, online business management, and financial literacy, enhancing participants' capacity for entrepreneurship and career growth. This initiative underscores the Bank's commitment to gender inclusion, empowerment, and building sustainable economic opportunities for women in its communities.

c) In 2025, to commemorate International Women's Day (IWD), Accion MfB organized free health check-ups at its Head Office in Lagos. The initiative provided essential medical screenings for staff and community members, promoting health awareness and well-being. This activity reflects the Bank's commitment to supporting women's health, empowerment, and social welfare within its communities.

d) In 2025, in commemoration of Men's Week/Day, Accion MfB also organized a Men's Mental Health webinar to promote awareness of mental well-being and encourage open conversations around men's health. The session focused on stress management, emotional resilience, and work-life balance, supporting a culture of wellness and reinforcing the Bank's commitment to employee and community mental health.

3. Welfare:

Modupe Cole Memorial Child Care and Treatment Home School Visit: The Bank supported this institution for children with intellectual disabilities by donating essential supplies and engaging with the children.

Governance Milestones and Achievements

Some of the Governance Milestones and Achievements during the year included the following;

a) Strengthening of Board Oversight and Committees

In 2025, the Bank enhanced the effectiveness of Board oversight through active and regular meetings of the Board and its Committees, including Audit & Compliance, Risk & Investment, Channels & Technology and Governance. This strengthened strategic direction, accountability, and regulatory compliance.

b) Enhanced Compliance with CBN and Regulatory Requirements

Accion MfB recorded improved regulatory compliance through timely statutory filings, regulatory examinations, and prompt resolution of regulatory observations. The Bank maintained strong engagement with the Central Bank of Nigeria (CBN) and other relevant regulators, reinforcing a culture of proactive compliance.

c) Review and Update of Key Governance and Risk Policies
The Bank reviewed and updated key corporate governance, risk management, and compliance policies in 2025 to reflect evolving regulatory requirements and operational realities. This ensured continued alignment with CBN guidelines, industry best practices, and the Bank's strategic objectives.

d) Strengthening of Enterprise Risk Management Framework
In 2025, Accion MfB further strengthened its enterprise risk management framework, including the enhancement of the risk register, risk assessments, and internal control processes. This improved the Bank's ability to identify, monitor, and mitigate key strategic, operational, compliance, and technology risks.

e) Capacity Building: The Bank invested in continuous capacity building for Staff, senior managemen and Board members during the year under review. These initiatives enhanced leadership effectiveness, regulatory awareness, and informed decision-making at all levels of the Bank.

Looking Ahead – 2026 Outlook

Building on the governance, sustainability, and social impact initiatives implemented in 2025, Accion MfB will continue to strengthen its corporate governance framework, risk management practices, and regulatory compliance in 2026. The Bank will focus on deepening Board and management oversight, enhancing enterprise risk management and internal controls, and further integrating ESG and sustainability considerations into its strategy and operations.

In addition, Accion MfB will expand its community development, financial inclusion, and capacity-building programmes, while leveraging digital innovation to improve service delivery and operational efficiency. These priorities will position the Bank for sustainable growth, improved stakeholder confidence, and stronger long-term value creation.

WHISTLE-BLOWING PROCESS

The Bank is committed to the highest standards of openness, probity and accountability hence the need for an effective and efficient whistle blowing process as a key element of good corporate governance and risk management.

Whistle blowing process is a mechanism by which suspected breaches of the Bank's internal policies, processes, procedures and unethical activities by any stakeholder (staff, customers, suppliers and applicants) are reported for necessary actions.

It ensures a sound, clean and high degree of integrity and transparency in order to achieve efficiency and effectiveness in our operations.

The reputation of the Bank is of utmost importance and every staff of the Bank has a responsibility to protect the Bank from any person or act that might jeopardize its reputation. Staff are encouraged to speak up when faced with information that would help protect the Bank's reputation.

An essential attribute of the process is the guarantee of confidentiality and protection of the whistle blower's identity and rights. It should be noted that the ultimate aim of this policy is to ensure efficient service to the customer, good corporate image and business continuity in an atmosphere compliant to best industry practice.

The Bank has a Whistle Blowing channel via its website, dedicated telephone hotlines

and e-mail address in compliance with Section 6.1.12 of the Central Bank of Nigeria (CBN) post-consolidation Code of Corporate Governance for Banks in Nigeria.
The Bank has engaged the services of KPMG to manage the Bank's various whistleblowing channels.

Telephone: Calls are on-net toll-free
MTN: 07030000026/07030000027
Airtel: 08088228888/07080601222
9Mobile: 08099936366
Globacom: 07058890140
Email: kpmgethicsline@ng.kpmg.com

SHAREHOLDERS' PARTICIPATION: The Annual General Meeting of the Bank is the highest decision-making forum. Shareholders are opportune to express their opinions on the Bank's financials and other issues affecting the Bank at such forum. The Bank encourages shareholders to participate in the affairs of the Bank.

PROTECTION OF SHAREHOLDERS' RIGHTS: The Board ensures the protection of the statutory and general rights of shareholders at all times, particularly voting rights at General Meetings of the Bank. All are treated equally, regardless of volume of shareholding or social status.

SHAREHOLDERS' MEETING: Shareholders' meetings are duly convened and held in line with existing statutory and regulatory regime. The Bank's General Meetings are conducted in a transparent and fair manner. Shareholders have the opportunity to express their opinions on the Bank's financial results and other issues affecting the Bank. The Annual General Meetings are attended by representatives of regulators such as the CBN, NDIC as well as representatives of Shareholders' Associations.

COMPLAINT CHANNELS

As part of our commitment to delivering an excellent customer experience, the Bank has put in place the following channels to enable customers to provide feedback and make enquiries seamlessly

Accion support: 07000222466, WhatsApp channel: 08139147341
Email: info@accionmfb.com
Social Media Platforms: Facebook - @myaccionmfb; Tiktok - @accionmfbnigeria; Instagram -@myaccionmfb
Website Feedback/Contact Forms: https://www.accionmfb.com/contact

BY ORDER OF THE BOARD

Oluwatosin Aoko
Company Secretary
FRC/2024/PRO/NBA/002/460101
17 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) guidelines and circulars.

he Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Taiwo Joda
Managing Director/Chief Executive Officer
FRC/2018/NIM/00000018093
17 March 2026

Christian Ruehmer
Chairman
FRC/2024/PRO/DIR/003/341687
17 March 2026

Statement of Corporate Responsibility for the Financial Statements for the Year Ended December 31, 2025

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Finance Officer, hereby certify the financial statements of Accion Microfinance Bank Limited for the year ended 31 December, 2025 as follows:

a. That we have reviewed the audited financial statements of the Bank for the year ended 31 December, 2025
b. That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.
c. 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 31 December, 2025
d. That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Bank is made known to us by other officers of the Bank during the period end 31 December, 2025.
e. That we have evaluated the effectiveness of the Bank's internal controls within 90 days prior to the date of the audited financial statements, and certify that the Bank's internal controls are effective as of that date;
f. That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.
g. We have disclosed to the Bank's auditors and audit committee -
    i. there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Bank's ability to record, process, summarise and report financial data, and have identified for the Bank's auditors any material weaknesses in internal controls, and
    ii. there is any fraud that involves management or other employees who have a significant role in the Bank's internal control.

Taiwo Joda
Director/Chief Executive Officer
FRC/2018/NIM/00000018093
17 March 2026

Adeola AdebisiManaging
Chief Finance Officer
FRC/2014/ICAN/00000007135
17 March 2026

REPORT OF THE AUDIT COMMITTEE

In compliance with Section 404(7) of the Companies and Allied Matters Act (CAMA), 2020, we the members of the Audit Committee of Accion Microfinance Bank Limited report on the financial statements for the year ended 31 December, 2025 as follows:

- We have reviewed the scope and planning of the audit requirements and we found them adequate

- We have reviewed the financial statements for the year ended 31 December 2025 and are satisfied with the explanations obtained in response to our queries.

- We reviewed the external auditor's Management Letter for the year ended 31 December, 2025 and management responses thereto and are satisfied that management is taking appropriate steps to address the issues raised.

- We have reviewed all insider related credits as defined by Section 19(4) of the Banks and Other Financial Institutions Act, 2020 and confirm that the Bank disclosed all such credits and that they were reported in line with the Central Bank of Nigeria (CBN)'s guidelines. Specifically, we are satisfied that the Bank has complied with the provisions of the Central Bank of Nigeria circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that no amount was outstanding as at 31 December 2025 as insider related credits.

- We ascertained that the accounting and reporting policies of the Bank for the year ended 31 December 2025 are in accordance with legal requirements and agreed ethical practices.

- The external auditor confirmed having received full cooperation from management in the course of their audit

Joy Ojakovo
Chairman, Audit Committee
FRC/2014/ICAN/0000010382
17 March 2026

Other members of the Audit Committee:
- Mark Adogah
- Yusufu Modibbo
- Gift Mahubo

Oluwatosin Aoko acted as Secretary to the Committee

CORPORATE SERVICES LIMITED

4th March 2026

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF ACCION MICROFINANCE BANK LIMITED FOR THE YEAR-ENDED 31ST DECEMBER 2025

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

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

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

Our review indicates that the Board has made significant efforts to uphold strong corporate governance practices, demonstrating adherence to the principles enshrined in the CBN Code of Corporate Governance for Microfinance Banks, NCCG, and globally recognised best practices.

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

Yours faithfully,

For: DCSL Corporate Services Ltd

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

Directors: Adeniyi Obe (Chairman) ~ Bisi Adeyemi (Managing Director) ~ Lekan Belo ~ Olusegun Akanji ~ Sadiq Mohammed ~ Dr Anino Emuwa

DCSL Head Office
19, CIPM Avenue, Agidingbi,
Alausa, Ikeja, Lagos
Tel: +234 (1) 271 7816-7/(0)809 038 1864

Abuja Office
5 Kokoma Close, off Buchanan
Crescent, Wuse 2, Abuja, Nigeria

RC NO: 352393
info@dcsl.com.ng
www.dcsl.com.ng

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting

I, Taiwo Joda, the Managing Director certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December, 2025 of Accion Microfinance Bank ("the Bank");

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) I:

1) am 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 Bank, 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 IFRS Accounting Standards;

4) have evaluated the effectiveness of the Bank's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e)I have disclosed, based on our most recent evaluation of internal control system, to the Bank's auditors and the audit committee:

(i) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Bank's ability to record, process, summarize and report financial information; and

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

f) I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation

SIGNED:

Taiwo Joda
Managing Director/Chief Executive Officer
FRC/2018/NIM/00000018093
17 March 2026

Certification Pursuant to Section 1.3 of the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control

I, Adeola Adebisi, the Chief Financial Officer certify that:

a) I have reviewed the Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December, 2025 of Accion Microfinance Bank ("the Bank");

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) I:

1) am 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 Bank, 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 IFRS Accounting Standards;

4) have evaluated the effectiveness of the Bank's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e)I have disclosed, based on our most recent evaluation of internal control system, to the Bank's auditors and the audit committee:

(i) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Bank's ability to record, process, summarize and report financial information; and

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

f) I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of our evaluation

SIGNED:

Adeola Adebisi
Chief Finance Officer
FRC/2014/ICAN/00000007135
17 March 2026

Report on the Effectiveness of Internal Control over Financial Reporting as of 31 December, 2025

The management of Accion Microfinance Bank Limited ("the Bank") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Financial Reporting Council Act, 2011 (as amended).

The management of Accion Microfinance Bank Limited assessed the effectiveness of our internal control over financial reporting as of 31 December, 2025 using the criteria set forth in Internal Control—2013 Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

As of December 31, 2025, the management of Accion Microfinance Bank Limited did not identify any material weakness in its assessment of internal control over financial reporting.

As a result, management has concluded that, as of December 31, 2025, the Bank's internal control over financial reporting was effective.

The Bank's independent auditor, KPMG Professional Services, who audited the financial statements included in this Annual Report, issued an unmodified conclusion on the effectiveness of the Bank's internal control over financial reporting as of 31 December, 2025 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 23 – 24 of the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred subsequent to the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect, the Bank's internal control over financial reporting.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Taiwo Joda
Managing Director/Chief Executive Officer
FRC/2018/NIM/00000018093
17 March 2026

Adeola Adebisi
Chief Finance Officer
FRC/2014/ICAN/00000007135
17 March 2026

KPMG

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

Independent Auditor's Limited Assurance Report

To the Shareholders of **Accion Microfinance Bank Limited**

Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control Over Financial Reporting

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Accion Microfinance Bank Limited ("the Bank") as of 31 December 2025 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that Accion Microfinance Bank Limited's internal control over financial reporting as of 31 December 2025 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Financial Reporting Council of Nigeria Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants *(including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

Other matter

We have audited the financial statements of Accion Microfinance Bank Limited in accordance with the International Standards on Auditing, and our report dated 31 March 2026 expressed an unmodified opinion of those financial statements.

Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Accion Microfinance Bank Limited is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's report. Our responsibility is to express a conclusion on the Bank's internal control over financial reporting based on our assurance engagement.

KPMG

Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Bank's internal control over financial reporting based on our assurance engagement.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the 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.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Definition and Limitations of Internal Control Over Financial reporting

A Bank'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 Bank'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 Bank;

(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 Bank are being made only in accordance with authorizations of management and directors of the Bank; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank'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. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Akinyemi Ashade
FRC/2013/PRO/ICAN/004?00000000786
For: KPMG Professional Services
Chartered Accountants
4th June 2026
Lagos, Nigeria

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet home.kpmg/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Accion Microfinance Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Accion Microfinance Bank Limited ("the Bank"), which comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

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 are independent of the Bank in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Impairment on Loans and advances to customers

The ECL allowance of loans and advances to customers is considered to be of most significance in the audit due to the level of subjectivity inherent in estimating the key assumptions that impact the recoverability of loan balances, including the impact of prevailing macroeconomic conditions in arriving at the level of impairment allowance required. The Bank uses an Expected Credit Loss (ECL) model to determine the impairment allowance for loans and advances to customers. The determination of impairment allowance using the ECL model is inherently a significant area for the Bank and requires the application of certain judgements, assumptions and estimates of financial indices which relate to the expected outlook on publicly available information from external sources such as inflation rate, exchange rate, crude oil price, interest rate and Gross Domestic Product (GDP) growth rate. These indices are estimated from historical financial data obtained within and outside the Bank.

The Bank's ECL model includes certain judgements and assumptions in determining the impairment allowances of loan and advances to customers comprising the:

- determination of default
- assessment of significant increase in credit risk (SICR);
- incorporation of forward-looking information based on the economic scenarios within the model;
- determination of the 12 month and lifetime probability of default (PD) used in the ECL model;
- determination of the Exposure at Default (EAD) based on the discounted future cash flows at the reporting date; and rate of recovery on the loans that are past due and in default;
- estimation of Loss Given Default (LGD) based on collateral values and other cash flows;

How the matter was addressed in our audit

Our procedures included the following:

- we evaluated the design and implementation of the key controls over the impairment determination process such as the board credit committee review of ECL allowance on loans and advances to customers and management review of relevant data used in the calculation of expected credit losses including evaluation of ECL impairment computation.
- we assessed Bank's default definition and other qualitative default indicators by agreeing it to the requirements of the relevant accounting standards.

- we assessed the appropriateness of the Bank's determination of SICR, defaults and the resultant classification of loans into stages on a sample basis by reviewing customer files for the terms of the loans and account statements for due and unpaid obligations.
- assisted by our Financial Risk Management specialists, we challenged the key data and assumptions for the data input into the ECL model used by the Bank. Our procedures in this regard included the following:
  I. we challenged the appropriateness and reasonableness of the Bank's ECL methodology by considering whether it reflects unbiased and probability weighted amounts that are determined by evaluating a range of possible outcomes, the time value of money, reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.
  II. we assessed the forward-looking assumptions by using publicly available information from external sources such as inflation rate, exchange rate, crude oil price, interest rate, and Gross Domestic Product (GDP) growth rate in our calculation.
  III. we evaluated the appropriateness of the basis of determining Exposure at Default, including the contractual cash flows, outstanding loan balance, loan repayment type, loan tenor and effective interest rate by checking them to source documents and performing a recomputation;
  IV. for PD used in the ECL calculation, we validated the completeness and accuracy of the data used for default and non-default categories for corporate and retail loans by evaluating its reasonability;
  V. we checked the calculation of the LGD used by the Bank in the ECL calculations, including the appropriateness of the use of collateral, by recomputing the LGD, cashflow validation and assessing the haircuts applied by management on the recoverability of collateral considering the current economic conditions. On a sample basis, we challenged the valuation of collaterals applied in the ECL computations by evaluating the competence of the valuers, and checking the market value of the collaterals to other independent publicly available information;
  VI. we assessed how the Bank has treated restructured loans based on changes to cashflow characteristic of customers and the related impact on staging and SICR, to confirm that they are consistent with the requirements of the standards; and
  VII. we independently re-performed the calculation of impairment allowance for loans and advances using the Bank's impairment model and validated key inputs.

The Bank's accounting policy on impairment, related disclosures on credit risk and critical accounting judgements, estimates and assumptions are shown in notes 3(f)(vii), 5(b), and 6(a) respectively.

Other Information
The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities, Report of the Audit Committee, Board Performance Evaluation Report, Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Internal Control Assessment Pursuant to Financial reporting Council of Nigeria Guidance, and Other National Disclosures, 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 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, 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 for the Financial Statements
The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) Guidelines and Circulars, 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.

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 judgment and maintain professional skepticism 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.

KPMG

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- 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 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 the Board Audit Committee 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 the Board Audit Committee, 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

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.

iii. The Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Compliance with Section 26 (3) of the Banks and Other Financial Institutions Act, 2020 and Central Bank of Nigeria circular BSD/1/2004

i. The Bank paid no penalty in respect of contravention of CBN guidelines during the year ended 31 December 2025 as disclosed in Note 29 to the financial statements.

ii. Related party transactions and balances are disclosed in Note 28 to the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Bank's internal control over financial reporting as of 31 December 2025. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 31 March 2026. That report is included in the annual report.

Signed:

Akinyemi J. Ashade
FRC/2013/PRO/ICAN/004/00000000786
For: KPMG Professional Services
Chartered Accountants
4th June 2026
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0049798

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

In thousands of naira	Note	31-Dec-2025	31-Dec-2024
ASSETS			
Cash and cash equivalents	16	2,873,823	961,627
Loans and advances to customers	17	23,727,425	16,015,139
Investment securities	18	551,928	352,044
Other assets	21	1,033,006	863,272
Property and equipment	19(a)	862,780	776,823
Right-of-use asset	19(b)	214,462	111,463
Intangible asset	20	280,972	338,144
TOTAL ASSETS		**29,544,396**	**19,418,512**
LIABILITIES			
Deposits from customers	22	11,270,251	6,413,333
Current tax liabilities	15(b)	934,076	240,892
Borrowings	23	8,245,259	4,446,841
Other liabilities	24	1,291,479	1,129,013
Deferred tax liabilities	15(c)	35,798	85,684
TOTAL LIABILITIES		**21,776,863**	**12,315,763**
CAPITAL AND RESERVES			
Share capital	25	1,205,834	1,205,834
Share premium	26(a)	8,138	8,138
General Reserve	27(a)	4,043,835	3,352,706
Statutory reserve	27(b)	1,990,447	1,862,071
Regulatory risk reserve	27(c)	519,279	674,000
TOTAL EQUITY		**7,767,533**	**7,102,749**
TOTAL LIABILITIES AND EQUITY		**29,544,396**	**19,418,512**

The financial statements were approved by the Board of Directors on 17 March 2026 and signed on its behalf by:

Christian Ruehmer
Chairman
FRC/2024/PRO/DIR/003/341687

Taiwo Joda
Managing Director/Chief Executive Officer
FRC/2018/NIM/00000018093

Additionally certified by:

Adeola Adebisi
Chief Finance Officer
FRC/2014/ICAN/00000007135

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

In thousands of naira	Note	31-Dec-2025	31-Dec-2024
Gross earnings		11,578,250	7,649,218
Interest income calculated using the effective interest method	8	10,757,162	6,935,869
Interest expense	9	(2,084,016)	(1,003,975)
Net interest income		8,673,146	5,931,894
Fee and commission income	10	653,808	445,061
Total operating income		9,326,954	6,376,955
Other income	11	167,280	268,288
Expected credit loss expense on financial assets	12	(546,470)	(287,766)
Net operating income		**8,947,764**	**6,357,477**
Operating expenses			
Personnel expenses	13	(3,923,441)	(2,924,762)
Depreciation of property and equipment	19	(256,785)	(211,212)
Amortisation of intangible assets	20	(171,712)	(154,689)
Other operating expenses	14	(2,774,405)	(2,266,565)
Total operating expenses		(7,126,343)	(5,557,228)
Profit before tax		1,821,421	800,249
Income tax expense	15(a)	(794,414)	(224,621)
Profit for the year		**1,027,007**	**575,628**
Other comprehensive income		-	-
Total comprehensive income for the year		**1,027,007**	**575,628**
Basic and diluted earnings per share (kobo)	32	**85**	**48**

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

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

In thousands of naira	Share Capital	Share Premium	General Reserve	Regulatory Risk Reserve	Statutory Reserve
Balance at 1 January 2025	1,205,834	8,138	3,352,706	674,000	1,862,071
Total comprehensive income					
Profit for the year	-	-	1,027,007	-	-
Total comprehensive income	-	-	1,027,007	-	-
Transfer to statutory reserve (see note 27(c))	-	-	(128,376)	-	128,376
Transfer from regulatory risk reserve (see note 6(c)(ii))	-	-	154,721	(154,721)	-
Contributions by and distributions to equity holders					
Dividend paid (see note 33)	-	-	(362,223)	-	-
Total contributions and distributions	-	-	(362,223)	-	-
Balance at 31 December, 2025	**1,205,834**	**8,138**	**4,043,835**	**519,279**	**1,990,447**

For the year ended 31 December, 2024

	Share Capital	Share Premium	General Reserve	Regulatory Risk Reserve	Statutory Reserve
Balance at 1 January 2024	1,205,834	8,138	3,118,830	645,684	1,790,117
Total comprehensive income					
Profit for the year	-	-	575,628	-	-
Total comprehensive income	-	-	575,628	-	-
Transfer to statutory reserve (see note 27(c))	-	-	(71,954)	-	71,954
Transfer to regulatory risk reserve (see note 6(c)(ii))	-	-	(28,316)	28,316	-
Contributions by and distributions to equity holders					
Share options reversed (see note 26)	-	-	-	-	-
Dividend paid (see note 33)	-	-	(241,482)	-	-
Total contributions and distributions	-	-	(241,482)	-	-
Balance at 31 December, 2024	**1,205,834**	**8,138**	**3,352,706**	**674,000**	**1,862,071**

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

STATEMENT OF CASH FLOWS
for the year ended

In thousands of naira	Note	31-Dec-2025	31-Dec-2024
Cash flows from operating activities			
Profit for the year		1,027,007	575,628
Tax expense	15(a)	794,414	224,621
Profit before tax		1,821,421	800,249
Adjustments for:			
Depreciation of property and equipment	19	256,785	211,212
Amortization of intangible assets	20	171,712	154,689
Net impairment loss on loans and advances to customers	12	438,874	259,502
Net impairment loss on cash and cash equivalents	12	27,737	765
Net impairment (writeback)/loss on other assets	21(d)	79,641	27,673
Net impairment loss on investment securities	12	218	(174)
Interest income using effective interest rate	8	(10,757,162)	(6,935,869)
Accrued interest expense	9	2,084,016	1,003,975
Foreign exchange revaluation loss/(gain)	11	9,629	(163,516)
Profit on sale of property and equipment	11	(656)	(1,428)
		(5,867,785)	**(4,642,922)**
Changes in:			
- loans and advances to customers	34(b)	(7,550,079)	(4,130,977)
- other assets	34(c)	(213,704)	(258,231)
- other liabilities	34(e)	151,318	(481,097)
- deposits from customers	34(d)	4,640,502	2,062,237
		(8,839,748)	**(7,450,990)**
Interest received	34(g)	11,552,168	6,912,734
Interest paid	34(h)	(2,012,799)	(864,904)
Tax paid	15(b)	(142,880)	(142,781)
VAT paid	34(e)	(11,148)	12,628
Net cash generated/(used in) from operating activities		**545,593**	**(1,533,313)**
Cash flows from investing activities			
Acquisition of property and equipment	34(a)(ii)	(202,516)	(97,026)
Acquisition of intangible assets	20	(114,540)	(55,309)
Proceeds from disposal of property and equipment	34(a)(i)	1,571	2,650
Purchase of treasury bill investments	34(f)	(494,065)	(319,461)
Proceeds from redemption of treasury bill investments	34(f)	360,000	300,000
Net cash flows used in investing activities		**(449,550)**	**(169,146)**
Cash flows from financing activities			
Repayment of principal on borrowings	23(b)	(3,972,841)	(1,232,652)
Repayment of interest on borrowings	23(b)	(1,259,124)	(433,856)
Payment for new leased properties	34(i)	(242,093)	(66,574)
Proceeds from borrowings	23(b)	7,689,800	3,595,000
Dividend paid	33	(362,223)	(241,482)
Net cash generated from financing activities		**1,853,519**	**1,620,436**
Net increase/(decrease) in cash and cash equivalents		**1,949,562**	**(82,023)**
Cash and cash equivalents at 1 January		964,557	883,064
Effect of exchange rate fluctuations on cash and cash equivalents held	11	(9,629)	163,516
Cash and cash equivalents at 31 December	16	**2,904,490**	**964,557**

1. Reporting entity

Accion Microfinance Bank Limited ("the Bank") was established in 2006. Accion Microfinance Bank Limited is registered with the Corporate Affairs Commission and licensed by the Central Bank of Nigeria. The Bank's corporate head office is at 154, Ikorodu Road, Onipanu Bus stop, Somolu, Lagos. The Bank is domiciled in Nigeria with registered address at 154, Ikorodu Road, Onipanu Bus stop, Somolu, Lagos.

The principal activity of the microfinance bank is to carry on business of providing financial services to micro, small and medium scale enterprises and other low-income people in Nigeria in the form of working capital and loans. The Microfinance bank is eligible to accept deposits from individuals, groups and organizations and also raise finance in accordance with the CBN regulations and guidelines on micro finance banks.

2. Basis of accounting

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Council of Nigeria Act 2011 (as amended), the Banks and Other Financial Institutions Act, 2020 and relevant Central Bank of Nigeria (CBN) guidelines and circulars. The accounting policies have been consistently applied to all years presented.

The financial statements for the year ended 31 December, 2025 were approved by the directors on 17 March 2026.

(b) Basis of preparation and measurement

These financial statements have been prepared on a going concern basis, which assumes that the bank will continue its operations in the foreseeable future. These financial statements have been prepared on the historical cost basis, except for the following material items, which are measured on the following alternative basis in the financial statements:

- Investment securities (treasury bills) measured at amortised cost
- Financial liabilities measured at amortised cost

(c) Use of estimates and judgements

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 judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

(d) Functional and presentation currency

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

(e) Going concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Bank has adequate resources to continue as going concern for the foreseeable future and has no intention or need to reduce substantially its business operations. Liquidity ratio and continuous evaluation of current ratio of the Bank is carried out to ensure that there are no going concern threats to the operation of the Bank.

(f) Changes in material accounting policies

The Bank does not have changes in material accounting policies in the current period.

3 Material accounting policies

The Bank has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise stated.

(a) Interest income and expense

i. Effective interest rate

Interest income and expense on financial instruments are recognised in profit or loss using the effective interest method.
The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank estimates future cash flows considering all contractual terms of the financial instruments, but not Expected Credit Loss. For purchased or originated credit- impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including Expected Credit Loss.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

ii. Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

iii. Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating-rate instruments to reflect movements in market rates of interest.

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

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

For information on when financial assets are credit-impaired, see 3(f)(vii).

Presentation

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

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at fair value through other comprehensive income; and
- negative interest on financial liabilities measured at amortised cost.

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

- financial liabilities measured at amortised cost;
- negative interest on financial assets measured at amortised cost; and
- interest expense on lease liabilities.

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

Interest income and expense on other financial assets and financial liabilities at fair value through profit or loss (FVTPL) are presented in net income and from other financial instruments at FVTPL.

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

(b) Fees and commission

Fees and commission is measured based on the consideration specified in a contract with a customer. The bank recognises this income when it disburses loans and accepts deposits from its customers.

Fee and commission income that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment

period.
Other fees and commission income, including loan account servicing fees, investment management fees, etc. are recognised as the related services are performed.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(c) Other income
The total sum includes income from service fees and charges, profit on disposal of property and equipment and dividend income. They are recognised as the related services are performed and when the entity's right to receive payment is established.

(d) 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.

(i) Bank acting as a lessee
At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.
The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.
The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.
Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 January 2020, where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Ban.
The Bank has chosen to present its right-of-use assets as a standalone item on the statement of financial position.

Short-term leases and leases of low-value assets
The Bank has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment.
The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The short-term leases item include items with lease value below N100,000 and less than or equal to 12 months in tenure.
To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(e) Income tax
Income tax expense comprises current tax (company income tax at 30% of total profit, tertiary education tax at 2.5% of assessable profit, National Information Technology Development Agency levy at 1% of profit before tax, Nigeria Police Trust Fund levy at 0.005% of Net Profit and National Agency for Science and Engineering Infrastructure levy at 0.25% of profit before tax). It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Development levy of 4% now replaces the Tertiary Education Tax, Nigeria Police Trust Fund and NASENI Levy from the 2026 year of assessment.

The Bank had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets . The related expenses are recognised in other expenses.

(i) Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at

the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).
- National Agency for Science and Engineering Infrastructure (NASENI) levy is computed on profit before tax.

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

Minimum tax

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

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as minimum tax.

The Bank offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised. With the new tax act of 2025, there will be no minimum tax provision forom 2026 financial year.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Bank is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Bank. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.
Deferred tax assets and liabilities are offset only if certain criteria are met.

(f) Financial instruments

(i) Recognition and initial measurement

The Bank initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date the Bank becomes a party to the contractual provisions of the instruments.
A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

(ii) Classification

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Bank's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Bank's retail and corporate banking business comprises primarily loans to customers that are held for collecting contractual cash flows. In the retail business the loan comprises unsecure working capital lending, digital loans and micro loans.
Certain debt securities are held by the Bank's Treasury in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Bank considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows.
Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;

- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Bank holds a portfolio of short-term fixed-rate loans for which the Bank has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Bank has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected - see below.

Non-recourse loans

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

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

Contractually linked instruments

Contractually linked instruments each have a specified subordination ranking that determines the order in which any cash flows generated by the pool of underlying investments are allocated to the instruments. Such an instrument meets the SPPI criterion only if all of the following conditions are met:

- the contractual terms of the instrument itself give rise to cash flows that are SPPI without looking through to the underlying pool of financial instruments;
- the underlying pool of financial instruments (i) contains one or more instruments that give rise to cash flows that are SPPI; and (ii) may also contain instruments, such as derivatives, that reduce the cash flow variability of the instruments under (i) and the combined cash flows (of the instruments under (i) and (ii)) give rise to cash flows that are SPPI; or align the cash flows of the contractually linked instruments with the cash flows of the pool of underlying instruments under (i) arising as a result of differences in whether interest rates are fixed or floating or the currency or timing of cash flows; and

- the exposure to credit risk inherent in the contractually linked instruments is equal to or less than the exposure to credit risk of the underlying pool of financial instruments.

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

iii) Derecognition

Financial assets
The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Bank retains all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial liabilities
The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial

liability is classified at FVTPL if it is classified as held- for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit and loss. Any
gains or loss on derecognition is also recognised in profit or loss.

iv) Modifications of financial assets and financial liabilities

Financial assets

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

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

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

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

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

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

v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

vi) Fair value measurement

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

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

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

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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

positions at an ask price.
Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments – e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure – are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.
The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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

(vii) Impairment
The Bank recognises loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL:
- financial assets that are debt instruments and;
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Bank measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

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

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit- impaired. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'stage 2 financial instrument'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

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

– financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
– financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
– undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and when discounting future cash flows, the following discount rates are used:
– financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate or an approximation thereof;
– POCI assets: a credit-adjusted effective interest rate;
– lease receivables: the discount rate used in measuring the lease receivable;
– undrawn loan commitments: the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and
– financial guarantee contracts issued: the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.
Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.
– If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
– If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:
– significant financial difficulty of the borrower or issuer;
– a breach of contract such as a default or past-due event;
– the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
– the disappearance of an active market for a security because of financial difficulties.
A loan that has been renegotiated due to a deterioration in the borrower's condition

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

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

POCI FINANCIAL ASSETS
POCI financial assets are assets that are credit-impaired on initial recognition. For POCI assets, lifetime ECL are incorporated into the calculation of the effective interest rate on initial recognition. Consequently, POCI assets do not carry an impairment allowance on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for ECL are presented in the statement of financial position as follows:
- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments: generally, as a provision;
- 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; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in retained earnings.

Write-off
Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the 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. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in other income account in the statement of profit or loss and OCI.
Financial assets that are written off could still be subject to enforcement activities in

order to comply with the Bank's procedures for recovery of amounts due.

Financial guarantee contracts held
The Bank assesses whether a financial guarantee contract held is an integral element of a financial asset that is accounted for as a component of that instrument or is a contract that is accounted for separately. The factors that the Bank considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank determines that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank considers the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank determines that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in 'other assets'. The Bank presents gains or losses on a compensation right in profit or loss in the line item 'impairment losses on financial instruments'.

Designation at fair value through profit or loss (FVTPL)
Financial assets
On initial recognition, the Bank may choose to designate a financial asset as at fair value through profit or loss (FVTPL) where this designation eliminates or significantly reduces an accounting mismatch, that would otherwise arise.
The Bank may also designate financial assets as at FVTPL where the assets are managed, evaluated and reported internally on a fair value basis.

Financial liabilities
The Bank may choose to designate financial liabilities as at FVTPL in either of the following circumstances:
- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(g) Cash and cash equivalents
Cash and cash equivalents include bank notes and coins on hand, unrestricted balances held with central bank and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

The reconciliation of the opening cash and cash equivalents to the closing cash and cash equivalents in the statement of cash flows is done using the indirect method.

(h) Operating expenses

All expenses are recognised in the income statement on an accrual basis. Other expenses are expenses other than investment expenses, employee benefit, expenses for marketing and administration expenses. They include wages, professional fee, depreciation expenses and other non- operating expenses. Other operating expenses are accounted for on accrual basis and recognized in the income statement over the period of utilization of the service or at the date of their origin.

(i) Loans and advances

Loans and advances to customers' captions in the statement of financial position include:
- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the consideration paid is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

(j) Investment Securities

The 'investment securities' caption in the statement of financial position includes:
- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;

(k) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised within other income in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Bank. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property and equipment for the current and comparative periods are as follows:

Land	Not depreciated
Buildings	50 years
Computer equipment	3 years
Machine and equipment	5 years
Furniture and fittings	5 years
Motor vehicles	4 years
Right of use assets	Lower of lease term or the useful life of the leased asset (duration include 2,3 and 5 years)

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

(iv) De-recognition

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(l) Intangible assets

Computer software

Software acquired by the Bank is measured at cost less accumulated amortisation and any accumulated impairment losses.

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

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life for computer software is three (3) years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) De-recognition

An intangible asset shall be derecognised:

(a) on disposal; or

(b) when no future economic benefits are expected from its use or disposal

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised (unless IAS 17 requires otherwise on a sale and leaseback.) Gains shall not be classified as revenue.

(m) Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss and are used to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, 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.

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

(n) Deposits and borrowings

Deposits and borrowings are the Bank's sources of funding. When the Bank sells a financial asset and simultaneously enters into a “repo” or “lending” agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Bank's financial statements.

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Deposits and borrowings are initially measured at fair value minus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through profit or loss.

(o) Other assets

Prepayments include costs paid in relation to subsequent financial periods and are measured at cost less amortization for the period. The Bank recognises prepaid expense in the accounting year in which it is paid.

Other receivables comprise staff cash advance and sundry debtors which are carried at cost less lifetime ECL impairment.

Stationeries and consumables comprise stock of debit cards, stock of cheques, stock of office stationeries and stock of adhesive stamp.

(p) Other liabilities
An accrual is recognised 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. The accruals are made based on known obligation and the cashflows are not discounted.
Other liabilities also include short term obligations to third parties which are usually payable on demand. They are recognized at cost.

Restructuring: 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. Future operating losses are not provided for.
Bank levies: A provision for bank levies is recognised when the condition that triggers the payment of the levy is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

(q) Contingent liabilities
Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non- occurrence, of one or more uncertain future events not wholly within the Bank's control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements. See note 31.

(r) Employee benefits
(i) Defined contribution plan
A defined contribution plan is pension plan under which the Bank pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. For defined contribution plans, the Bank makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reform Act.

The Bank has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the period during which related services are rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Employees and the Bank contribute 8% and 10% respectively of each of the qualifying staff salary in line with theprovisions of the Pension Reforms Act 2014.

(ii) Short-term employee benefits
Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Share capital and reserves
Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.
Where the Bank purchases its own equity share capital (treasury shares), the consideration

paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Bank's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Bank's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion.
The share premium is classified as equity in the statement of financial position.

Staff share option

This represents incentive share option scheme established by the Bank to enable senior management officers and employees of the Bank ("Eligible Employees") acquire shares in the Bank with the goal to attract, retain, and motivate such employees. The staff share option is classified as an equity instrument in the statement of financial position. Voting rights related to staff share options are exercisable by the beneficiaries and the holders of the staff share option are entitled to receive dividends as declared from time to time based on the number of shares held.

General reserves

The general reserves comprises undistributed profit/(loss) from previous years and the current year. General reserve is classified as part of equityin the statement of financial position.
- Dividend on the Bank's ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders. Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note. Dividends proposed by the Directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of IFRS. Dividend on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Statutory reserves

The Bank is required under the Regulatory and Supervisory Guidelines for Microfinance Banks, to maintain a reserve fund to which it transfers from its profit after tax for each year (before dividend). The appropriation is subject to the following provisions:

i). Where the amount of the reserve fund is less than 50 per cent of the paid-up capital, an appropriation which is not less than 50 per cent of the net profit for the year is made.
ii). Where the amount of the reserve fund is 50 per cent or more, but less than 100 percent of the paid - up capital, an appropriation which is not less than 25 per cent of the net profit for the year is made or
iii). Where the amount of the reserve fund is equal to 100 per cent or more of the paid-up capital, an amount equal to 12.5 percent of the net profit for the year is made.

At present, the Bank transfers an appropriation of 12.5 per cent of the net profit to statutory reserve.

Regulatory risk reserves

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Central Bank of Nigeria's (CBN) Amended Regulatory and Supervisory Guidelines for Microfinance Banks. This is at variance with the expected credit loss model required by IFRS 9. As a result of the differences in the methodology/ provision regime, 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 Standards when IFRS is adopted. However, Banks would be required to comply with the following:

Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/ changes accounted for in general reserves as follows:

- where Prudential provisions is greater than IFRS provisions: the excess provision resulting should be transferred from the retained reserve account to a non-distributable "regulatory risk reserve".

- where Prudential impairment provisions is less than IFRS provisions: the excess charges resulting should be transferred from the Regulatory

(t) Earnings per share

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

(u) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Bank at the exchange rates at the date of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign exchange gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest rate, impairment and payment during the year and the amortised cost in the foreign currency at the spot exchange rate at the end of the year.

Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange
rate when the fair value is determined. Non-monetary items that are measured ased on historical cost in a functional currency are translated at the exchange at the date of the transaction.
Foreign currency differences arising on translation are generally recognised in profit or loss.

4 New standards and interpretations not yet adopted

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Bank are set out below.

The Bank does not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:

New or amended standards	Summary of the requirements	Possible impact on financial statements
Classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	The International Accounting Standards Board (IASB) has now amended IFRS 9 Financial Instruments following its post-implementation review (PIR) of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features. The IASB has also amended IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The Standard is effective as from 1 January 2026.	The Bank is in the process of assessing the impact of the new amendments.
IFRS 18 Presentation and Disclosures in Financial Statement	Under current IFRS Accounting Standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. IFRS 18 promotes a more structured income statement, as set out below. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities. The Standard is effective as from 1 January 2027	The Bank is still in the process of assessing the impact of the standardsparticularly with respect to the structure of the Bank's statement of profit or loss, statement of cashflow and the additional disclosures required for MPMs. The Bank is also assessing the impact of the how the information is grouped in the financial statements, including for items currently labelled others.

The below listed amendments to standards are also effective for period effective from 1 January 2025 but have been assesed to not have any impact on the Bank financial statements.

(i) Lack of exchangeability - amendments to IAS 21 (effective 1 January 2025)
(ii) Annual improvement to IFRS accounting standards - volume 11 (effective 1 January 2025)
(iii) IFRS 19: *Subsidiaries without public accountability: disclosures* (effective 1 January 2027)
(iv) Sales or Contribution of assets between an investor and its associate or joint venture - Amendments to IFRS 10 and IAS 28

5. Financial risk management

(a) Introduction and overview

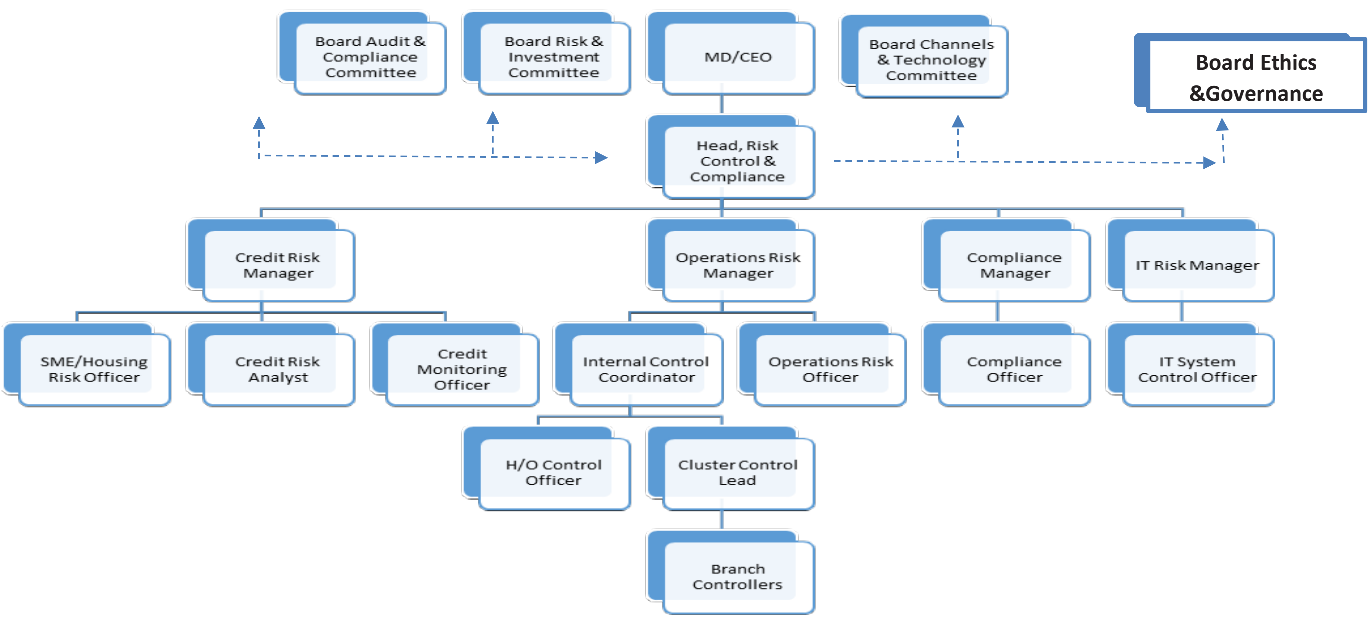
The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board of Directors has established the Asset and Liability Management Committee (ALCO), which is responsible for approving and monitoring Bank risk management policies.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Bank's activities. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board also oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Bank. The Board is assisted in its oversight role by the Board Risk, Credit and Investment Committee, which undertakes both regular and ad-hoc reviews of risk management controls and procedures.

The risk management framework of the Bank identifies risk culture as the foundation upon which the pillars of risk and control processes and extreme events management lie.

The general organisational structure can be seen below:



The Board of Directors are responsible for developing and monitoring the Bank's risk management policies.

(i) The Bank's approach to risk

The Bank addresses the challenge of risks comprehensively through an enterprise-wide risk management framework by applying leading practices that are supported by a governance structure consisting of the board and executive

management committees. The Board drives the risk governance and compliance process through management. The audit committee provides oversight on the systems of internal control, financial reporting and compliance. The Board also sets the risk philosophy, policies and strategies and provides guidance on the various risk elements and their management.
Executive management drives the management of the financial risks (market, liquidity and credit risk), operational risks as well as strategic and reputational risks.

The key features of the Bank's risk management framework are:
- The Board of Directors provide overall risk management direction and oversight.
- The Bank's risk appetite is approved by the Board of Directors.
- Risk management is embedded in the Bank as an intrinsic process and is a core competency of all its employees.
- The Bank manages its credit, market, operational and liquidity risks in a co-ordinated manner within the organization.
- The Bank's risk management function is independent of the business divisions.
- The Bank's internal audit function reports to the Board; providing independent validation of the business units' compliance with risk policies and procedures and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Board of Directors is committed to managing compliance with a framework to enforce compliance with applicable laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.
The compliance function, under the leadership of the Head of Internal Audit of the Bank has put in place a compliance framework, which includes:
- Comprehensive compliance manual, the manual details the roles and responsibilities of all stakeholders in the compliance process,
- Review and analysis of all relevant laws and regulations, which are adopted into policy statements to ensure business is conducted professionally.

(ii) Risk Appetite

The Bank's risk appetite is reviewed by the Board of Directors annually, at a level that minimizes erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies. This reflects the conservative nature of the Bank as far as risk taking is concerned.

(iii) Risk Management Philosophy, Culture and Objectives

The Bank considers effective risk management to be the foundation of a long lasting institution.
- The Bank continues to adopt a holistic and integrated approach to risk management and therefore, brings all risks together under one or a limited number of oversight functions.
- Risk management is a shared responsibility. Therefore the Bank aims to build a shared perspective on risks that is grounded in consensus.
- There is clear segregation of duties between market facing business units and risk management functions.
- Risk Management is governed by well defined policies which are clearly communicated within the Bank.

- Risk related issues are taken into consideration in all business decisions.

The Bank shall continually strives to maintain a conservative balance between risk and revenue consideration.

The Bank has exposure to the following risks from its financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(b) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers, investment in debt securities, cash and cash equivalents, pledged assets and trade and other receivables. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure – e.g. individual obligor default risk, country and sector risk.The Bank has exposure to credit risk as it routinely executes transactions with counterparties which comprise mainly of providing loans to low income individuals and micro-entrepreneurs.

(i) Credit risk limits

The Bank applies credit risk limits, among other techniques in managing credit risk. This is the practice of stipulating a maximum amount that the individual or counterparty can obtain as loan. Internal and regulatory limits are strictly adhered to. Through this, the Bank not only protects itself, but also in a sense, protects the counterparty from borrowing more than they are capable of paying.

The Bank continues to focus on its concentration and intrinsic risks and further manage them to a more comfortable level. This is very important due to the serious risk implications that intrinsic and concentration risk pose to the Bank. A thorough analysis of economic factors, market forecasting and prediction based on historical evidence is used to mitigate the crystallization of these risks.

The Bank has in place various portfolio concentration limits (which is subject to periodic review). These limits are closely monitored and reported on from time to time. The Bank's internal credit approval limits for the various authority levels are as indicated below.

Designation	Range of Approval
Area Manager	₦50,000 up to ₦2,000,000
Regional Bank Heads	Above ₦2,000,000 up to ₦4,000,000
Chief Commercial Officer	Above ₦4 million up to ₦7,500,000
CEO/MD	Above ₦7.5million up to ₦20,000,000
Board Risk and Investment Committee	Above ₦20million up to 0.5% or 2.5% of shareholders fund unimpaired by losses for single or corporate borrowers

These internal approval limits are set and approved by the Bank's Board and are reviewed regularly as the state of affairs of the Bank and the wider financial environment demands.

Credit quality analysis

The tables below set out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investment securities 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.

	31 December, 2025				
In thousands of naira	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan and advances to customers at amortised cost					
Grade 1-6: Strong	0-0.59	23,193,128	-	-	23,193,128
Grade 7-9: Satisfactory	0.60-11.34	-	133,213	-	133,213
Grade 10: Higher risk	11.35-99.99	-	-	1,226,900	1,226,900
Grade 11-12: Credit-impaired	100	-	-	-	-
Gross carrying amount		23,193,128	133,213	1,226,900	24,553,241
Loss allowance		129,277	20,045	676,494	825,816
Carrying amount		**23,322,405**	**153,258**	**1,903,394**	**25,379,057**

	31 December, 2024				
In thousands of naira	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loan and advances to customers at amortised cost					
Grade 1-6: Strong	0-0.59	15,325,975	-	-	15,325,975
Grade 7-9: Satisfactory	0.60-11.34	-	216,077	-	216,077
Grade 10: Higher risk	11.35-99.99	-	-	1,461,111	1,461,111
Grade 11-12: Credit-impaired	100	-	-	-	-
Gross carrying amount		15,325,975	216,077	1,461,111	17,003,163
Loss allowance		(116,842)	(34,526)	(836,655)	(988,023)
Carrying amount		**15,209,133**	**181,551**	**624,456**	**16,015,140**

	31 December, 2025				
In thousands of naira	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Debt investment securities at amortised cost					
Grades 1-6: Strong	0-0.59	552,178	-	-	552,178
Loss allowance		(250)	-	-	(250)
Carrying amount		551,928	-	-	551,928

	31 December, 2024				
In thousands of naira	**12-month PD ranges**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Debt investment securities at amortised cost					
Grades 1-6: Strong	0-0.59	352,076	-	-	352,076
Loss allowance		(32)	-	-	(32)
Carrying amount		352,044	-	-	352,044

Significant increase in credit risk

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

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:
- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for the point in time that was estimated at the time of initial recognition of the exposure (adjusted where appropriate for changes in prepayment expectations).

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

– a quantitative test based on movement in PD;
– qualitative indicators; and
– a backstop of 30 days past due.

Credit risk grades

The Bank allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk grade deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to on-going monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data.

Corporate exposures
- Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes;
- data from reference agencies, press articles, changes in external credit ratings;
- actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities.

Retail exposures
- Internally collected data on customer behaviour - e.g. utilisation of credit card facilities;
- external data from credit reference agencies, including industry-standard credit scores.

All exposures
- Payment record - this includes overdue status as well as a range of variables about payment ratios;
- utilisation of the granted limit;
- requests for and granting of forbearance; and
- existing and forecast changes in business, financial and economic conditions.

Generating the term structure of PD
Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

Determining whether credit risk has increased significantly
The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the geographical region.
Credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

The Bank identifies key drivers behind changes in credit risk for portfolios. Generally, a significant increase in credit risk is assessed based on the estimation of PDs and consideration of qualitative factors, each of which are designed to reflect forward-looking information, on an individual instrument basis as described above. However, if the Bank identifies a key driver that is not considered in the individual assessment on a timely basis, then the Bank will evaluate whether there is reasonable and supportable information that enables it to make an additional assessment on a collective basis with respect to all or some of a portfolio. This may lead to the Bank concluding that a segment or proportion of a portfolio has undergone a significant increase in credit risk.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance

against the modified contractual terms.
The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

Definition of default
The Bank considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:
- qualitative: e.g. breaches of contract;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.
Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Bank for regulatory capital purposes.

Incorporation of forward looking information
The Bank incorporates five macroeconomic variables for forward-looking information (i.e inflation rate, crude oil price, exchange rate, interest rate and Gross Domestic Product (GDP)) rate into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of expected credit loss (ECL).
The determination of ECL includes various assumptions and judgements in respect of forward looking macroeconomic information.
These variables and their associated impact on the PD, EAD and LGD vary by portfolio type; in addition, expert judgment has also been applied in this process. Forecasts of these macro-economic variables for each of the possible scenarios (upturn, baseline and downturn) are provided by Moody's Analytics economic's team (Groups Vendor) via its platform known as Data Buffet on a quarterly basis. The platform can provide an economic forecast up to 30 years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical cross sectional regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

Weights are assigned to the possible outcome of each scenario based on statistical regression analysis and expert judgement taking account of the range of possible outcomes each chosen scenario is representative of.
The assessment of SICR is determined using rating migration which are linked to the PDs of each scenarios multiplied by the associated scenario weighting, along with qualitative and backstop indicators (see note 3.2.11(a)). This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12- month or lifetime ECL should be recorded.
Following this assessment, the Group measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

Generally, in economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty, hence the actual outcomes may be significantly different to those projected. Therefore, the Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non- linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 3(f)(iv).
When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:
- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).
The Bank renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms. The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit- impaired/in default or the PD is considered to have decreased such that it falls within the 12-month

PD ranges for the asset to be considered Stage 1.

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 are set out below.

Loans and advances to customers, Investment securities, current accounts and placements with financial institutions

		2026	2027
Gross Domestic Product (in %)	Average	3.63	3.60
	Upturn	4.23	3.60
	Downturn	2.98	3.60
Inflation rate (in %)	Average	27.06	18.00
	Upturn	34.60	18.00
	Downturn	14.45	18.00
Crude oil price (USD per barrel)	Average	76.18	80.49
	Upturn	88.80	81.69
	Downturn	66.15	79.29
Exchange rate	Average	1495.98	2262.00
	Upturn	1652.23	2262.00
	Downturn	1330.26	2262.00
Interest rate (in %)	Average	26.84	28.25
	Upturn	27.50	28.25
	Downturn	24.75	28.25

The most significant period-end assumptions used for the ECL estimate as at 31 December 2024 are set out below.

		2025	2026
Gross Domestic Product (in %)	Average	2.98	3.63
	Upturn	3.20	4.23
	Downturn	2.60	2.98
Inflation rate (in %)	Average	25.00	27.06
	Upturn	18.00	34.60
	Downturn	32.00	14.45
Crude oil price (USD per	Average	77.34	76.18
	Upturn	78.50	88.80
	Downturn	76.19	66.15
Exchange rate	Average	2027.25	1495.98
	Upturn	1804.00	1652.23
	Downturn	2262.00	1330.26
Interest rate (in %)	Average	28.00	26.84
	Upturn	27.75	27.50
	Downturn	28.25	24.75

December 2024 are set out below.

In current year, the scenario based forecasts for inflation and GDP were applied in the regression model to obtain fitted scalars per scenario. Expert judgement to determine the probability weights of each scenario was applied in the current year using Scenario 1 - Base case – 78.5%, Scenario 2 - Worst Case – 9.2%, and Scenario 3 - Best Case – 12.3%. The weightings assigned to each economic scenario at 31 December, 2025 were as follows:

Dec-25	Base	Downturn	Upturn
Loan portfolio, Investment Securities and Placement with financial institutions	77%	9%	15%

Dec-24	Base	Downturn	Upturn
Loan portfolio, Investment Securities and Placement with financial institutions	78%	9%	13%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a quarterly basis.

Sensitivity analysis on ECL Model

The most significant assumptions affecting the ECL allowance are as follows:
Loan portfolio
(i) GDP
(ii) Oil price
(iii) Inflation rate
(iv) Exchange rate
(v) Interest rate

The bank estimates each key driver for credit risk over the active forecast period of two years. This is followed by a period of mean reversion depending on the product and geographical market.

The table below lists the macroeconomic assumptions used in the base, upside and downside scenarios over the two-year forecast period

As at 31 December, 2025	GDP change	Crude oil price	Inflation rate	Exchange rate	Interest rate
Central economic assumptions					
2-year average	3.04%	76.18	27.06%	1,495.98	26.84%
Peak	3.20%	88.80	34.60%	1,652.23	27.50%
Upside economic assumptions					
2-year average	3.20%	76.18	27.06%	1,495.98	26.84%
Peak	3.36%	88.80	34.60%	1,652.23	27.50%
Downside economic assumptions					
2-year average	2.60%	76.18	27.06%	1,495.98	26.84%
Trough	2.16%	66.15	14.45%	1,330.26	24.75%
As at 31 December, 2024	GDP change	Crude oil price	Inflation rate	Exchange rate	Interest rate
Central economic assumptions					
2-year average	3.04%	78.92	21.50%	2,144.63	28.13%
Peak	3.20%	81.69	32.00%	2,262.00	28.25%
Upside economic assumptions					
2-year average	3.20%	81.69	18.00%	1,804.00	18.00%
Peak	3.36%	84.47	28.50%	1,921.38	27.38%
Downside economic assumptions					
2-year average	2.60%	76.19	32.00%	2,262.00	19.00%
Trough	2.16%	73.47	28.50%	1,921.38	27.88%

Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

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

The methodology for estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for lending collateralised

by property, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

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

However, for retail overdrafts and credit card facilities that include both a loan and an undrawn commitment component, the Bank measures ECL over a period longer than the maximum contractual period if 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. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, which may include:
- instrument type;
- credit risk grade;
- collateral type;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past-due event;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

The financial instruments such as loans and deposits disclosed in the statement of financial position are not offset as the Bank does not have any current enforceable obligation to do so.

(ii) Exposure to credit risk

The Bank's exposure to credit risk is influenced mainly by the characteristics of the counterparties. Management considers the default risk of the industry in which the counterparty operates based on economic factors as this may have an influence on credit risk.

The Bank is exposed to credit risk on its loans and receivables balances due from its customers in the private sectors .

The Bank has credit standards, policies and procedures to control and monitor intrinsic and concentration risks through all credit levels of selection, underwriting, administration and control. This include:

- Utilization of the services of portfolio managers whom are educated on the risk appetite of the Bank and thus ensure that all investments are in low risk grade securities.
- Ensuring that all investments entered are of a low to medium duration and thus minimising the risk of default.
- All treasury investments undergo a formal credit analysis process that would ensure the proper appraisal of the facility.
- The consequences for non-compliance with the credit policy and credit indiscipline are communicated to all staff and implemented.
- All conflict of interest situations must be avoided.

(iii) Cash and cash equivalents

The Bank held cash and cash equivalents with maturity profile of less than or equal to 3 months, held with local banks and assessed to have good credit ratings based on the Bank's policy.

(iv) Loans and advances to customers

The Bank has classified loans and advances to customers. These are evaluated periodically for impairment in line with its accounting policy as disclosed in note 3(f)(viii). Impairment losses have been recognized in profit or loss and reflected in an allowance account against loans and advances to customers. The total impairment allowance as at 31 December 2024 was approximately N1,197million (31 December 2022: N1,037million).

(v) Collateral security

All financial assets held by the Bank are normally unsecured. Our comfort on the Treasury Bills is the issuer's credit rating, which is the Federal Government of Nigeria.

(vi) Write-off policy

The Bank writes off a loan balance when the Bank's Credit Department determines that the loan is uncollectible and had been declared delinquent and subsequently classified as lost. The write-off process is a critical component of the Bank's credit management activities. The policy requires a periodic review and identification of classified loans deemed to be uncollectible with long outstanding balances of principal and interest. The determination is made after considering information such as the continuous deterioration in the customer's financial position, such that the customer can no longer pay the obligation, or that the proceeds from the collateral will not be sufficient to pay back the entire exposure. The Board of Directors and the CBN approvals are required for such write-off. The loan recovery department continues with its recovery efforts and any loan subsequently recovered is treated as other income.

(vii) Maximum exposure to credit risk

The carrying amount of the Bank's financial assets, which represents the maximum exposure to credit risk at the reporting date was as follows:

In thousands of naira	Note	31-Dec-25	31-Dec-24
Cash and cash equivalents	16	2,873,823	961,627
Loans and advances to customers	17	23,727,425	16,015,139
Investment securities at amortised cost	18	551,928	352,044
Other assets (excluding prepayments and stationeries & consumables)	21	700,423	532,283
		27,853,599	17,861,093

(viii) Geographical Sectors

The following table breaks down the Bank's main credit exposure at their gross amounts (Loans and advances to customers and deposit with banks) as categorised by geographical region. ''Deposit with banks" here represents current account balances with other banks, money market placements and investments in treasury bills. For this table, the Bank has allocated exposures to regions based on the region of domicile of the Bank's counterparties.

	31 December 2025			31 December, 2024		
In thousan	Balances with banks	Loans and advances to customers	Total	Balances with banks	Loans and advances to customers	Total
South Sout	-	4,092,514	4,092,514	-	3,320,301	3,320,301
South West	2,883,051	15,373,420	18,256,471	946,368	10,778,025	11,724,393
South East	-	3,044,751	3,044,751	-	2,204,439	2,204,439
North Cent	-	243,513	243,513	-	441,185	441,185
North West	-	1,799,043	1,799,043	-	259,212	259,212
North East	-	-	-	-	-	-
	2,883,051	24,553,241	27,436,292	946,368	17,003,162	17,949,530

(ix) Credit Quality

The following table breaks down the Bank's main credit exposure at their gross amounts, as categorised by performance as at 31 December, 2025 and 31 December, 2024 respectively.

In thousands of naira	31 December 2025 Balances with banks	Loans and advances to customers	Total	31 December, 2024 Balances with banks	Loans and advances to customers	Total
12 months ECL	2,883,051	23,193,128	26,076,179	946,368	15,325,975	16,272,343
Lifetime ECL not credit impaired	-	133,213	133,213	-	216,077	216,077
Lifetime ECL credit impaired	-	1,226,900	1,226,900	-	1,461,111	1,461,111
Gross amount	2,883,051	24,553,241	27,436,292	946,368	17,003,163	17,949,531
ECL impairment	(30,667)	(825,816)	(856,483)	(2,930)	(988,023)	(990,953)
Carrying amount	2,852,384	23,727,425	26,579,809	943,438	16,015,140	16,958,578

(x) Credit risk exposure

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless, specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

External rating grade (S& P)

In thousands of naira	31 December 2025 Stage 1	Stage 2	Stage3	Total	31 December, 2024 Stage 1	Stage 2	Stage3	Total
Cash and cash equivalents								
AAA - A		-	-	-		-	-	-
BBB - B	2,883,051	-	-	2,883,051	883,232	-	-	883,232
Below B	-	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-	-
Gross carrying amount	**2,883,051**	-	-	**2,883,051**	**883,232**	-	-	**883,232**
Loss allowance	(30,667)	-	-	(30,667)	(2,930)	-	-	(2,930)
Carrying amount	**2,852,384**	-	-	**2,852,384**	**880,302**	-	-	**880,302**

In thousands of naira	31 December 2025 Stage 1	Stage 2	Stage3	Total	31 December, 2024 Stage 1	Stage 2	Stage3	Total
Loans and advances								
AAA - A	17,623,859	6,799	27,605	17,658,263	12,406,984	142,155	106,943	12,656,082
BBB - B	4,095,826	118,822	89,278	4,303,926	313,240	15,154	16,667	345,061
Below B	1,433,539	-	1,053,184	2,486,723	219,384	54,693	1,321,061	1,595,138
Unrated	39,904	7,592	56,833	104,329	2,386,367	4,075	16,440	2,406,882
Gross carrying amount	**23,193,128**	**133,213**	**1,226,900**	**24,553,241**	**15,325,975**	**216,077**	**1,461,111**	**17,003,163**
Loss allowance	(129,277)	(20,045)	(676,494)	(825,816)	(116,842)	(34,526)	(836,655)	(988,023)
Carrying amount	**23,063,851**	**113,168**	**550,406**	**23,727,425**	**15,209,133**	**181,551**	**624,456**	**16,015,140**

In thousands of naira	31 December 2025 Stage 1	Stage 2	Stage3	Total	31 December, 2024 Stage 1	Stage 2	Stage3	Total
Investment securities								
AAA - A	-	-	-	-	-	-	-	-
BBB - B	552,178	-	-	552,178	352,076	-	-	352,076
Below B	-	-	-	-	-	-	-	-
Unrated	-	-	-	-	-	-	-	-
Gross carrying amount	552,178	-	-	552,178	352,076	-	-	352,076
Loss allowance	(250)	-	-	(250)	(32)	-	-	(32)
Carrying amount	551,928	-	-	551,928	352,044	-	-	352,044

In thousands of naira	31 December 2025 Stage 1	Stage 2	Stage3	Total	31 December, 2024 Stage 1	Stage 2	Stage3	Total
Other receivables								
AAA - A	-	-	-	-	-	-	-	-
BBB - B	-	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-	-
Unrated	44,943	-	-	44,943	79,022	-	-	79,022
Gross carrying amount	44,943	-	-	44,943	79,022	-	-	79,022
Loss allowance	(107,753)	-	-	(107,753)	(63,783)	-	-	(63,783)
Carrying amount	(62,810)	-	-	(62,810)	15,239	-	-	15,239

Type of credit exposure *In thousands of naira*	Percentage of exposure that is subject to collateral requirements **31 December, 2025**	**31 December, 2024**	**Principal type of collateral held**
Loans and advances to retail customers			
SME loans	40%	45%	Vehicle, land & building, truck

(xi) *Loss allowance*

The following tables show reconciliation from the opening to the closing balance of the loss allowance of financial instrument.

In thousands of naira Cash and cash equivalents	31 December 2025 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 December, 2024 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January	2,930	-	-	2,930	2,165	-	-	2,165
Net measurement on loss allowance (see note 12)	27,737	-	-	27,737	765	-	-	765
Balance at 31 December	30,667	-	-	30,667	2,930	-	-	2,930

In thousands of naira Loan and advances to customers	31 December 2025 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 December, 2024 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January	116,842	34,526	836,655	988,023	200,359	41,432	943,598	1,185,389
Net measurement on loss allowance (see note 12)	12,435	(14,481)	440,920	438,874	(83,517)	(6,906)	349,925	259,502
Write-offs during the year	-	-	(601,081)	(601,081)	-	-	(456,868)	(456,868)
Balance at 31 December	129,277	20,045	676,494	825,816	116,842	34,526	836,655	988,023

In thousands of naira Investment securities at amortised cost	31 December 2025 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 December, 2024 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January	32	-	-	32	206	-	-	206
Net measurement on loss allowance (see note 12)	218	-	-	218	(174)	-	-	(174)
Balance at 31 December	250	-	-	250	32	-	-	32

In thousands of naira Other assets	31 December 2025 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	31 December, 2024 12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at 1 January	-	-	63,782	63,782	-	-	36,109	36,109
Net measurement on loss allowance (see note 12)	-	-	79,641	79,641	-	-	27,673	27,673
Balance at 31 December	-	-	143,423	143,423	-	-	63,782	63,782

(c) Liquidity risk

Liquidity risk is the potential loss arising from the Bank's inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable cost or losses. Liquidity risk is not viewed in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other Bank's risks such as credit, market and operational risks.

(i) Liquidity risk management process

The Bank has a sound and robust liquidity risk management framework that ensures that sufficient liquidity, including a cushion of unencumbered and high quality liquid assets, are maintained at all times to enable the Bank withstand a range of stress events, including those that might involve loss or impairment of funding sources.

The Bank's liquidity risk exposure is monitored and managed by senior management on a regular basis. This process includes:

- Projecting cash flows and considering the level of liquid assets necessary in relation thereto

- Monitoring balance sheet liquidity ratios against internal and regulatory requirements;
- Managing the concentration and profile of debt maturities;
- Maintaining liquidity and funding contingency plans. These plans identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises while minimizing any adverse long-term implications for the business.
- Regular conduct of stress testing, coupled with testing of contingency funding plans from time to time.

The Bank maintains adequate liquid assets sufficient to manage any liquidity stress situation. The liquidity ratio remains one of the best among its peer companies.

(ii) Maturity analysis for financial assets and financial liabilities

The following are the remaining maturities of financial assets and financial liabilities at the reporting date. These are the carrying amounts which includes interest payments and exclude the impact of netting agreements.

31 December 2025

				Expected cash flows			
In thousands of naira	Note	Carrying amount	Gross nominal inflow/(outflow)	Up to 3 months	3 - 6 months	6 months - 1 year	Over 1 year
Non-derivative financial assets							
Cash and cash equivalents	16	2,873,823	2,904,490	2,904,490	-	-	-
Loans and advances to customers	17	23,727,425	26,211,895	9,136,321	8,239,272	7,363,585	1,472,717
Investment securities	18	551,928	632,178	452,178	180,000	-	-
Other assets	21	700,423	808,327	670,911	121,249	16,167	-
		27,853,599	30,556,890	13,163,900	8,540,521	7,379,752	1,472,717
Non-derivative financial liabilities							
Deposits from customers	22	(11,270,251)	(12,165,697)	(11,187,368)	(886,658)	(91,672)	-
Other liabilities	24	(1,074,777)	(1,074,777)	(684,578)	(218,478)	(148,484)	(23,237)
Borrowings	23	(8,245,259)	(9,281,303)	(1,287,654)	(1,586,485)	(3,050,375)	(3,356,789)
		(20,590,287)	(22,521,777)	(13,159,600)	(2,691,621)	(3,290,531)	(3,380,026)

31 December, 2024

				Expected cash flows			
In thousands of naira	Note	Carrying amount	Gross nominal inflow/(outflow)	Up to 3 months	3 - 6 months	6 months - 1 year	Over 1 year
Non-derivative financial assets							
Cash and cash equivalents	16	961,627	964,557	964,557	-	-	-
Loans and advances to customers	17	16,015,139	17,003,162	4,213,309	7,793,969	4,662,617	333,267
Investment securities	18	352,044	352,076	352,076	-	-	-
Other assets	21	532,283	596,020	497,650	91,828	6,542	-
		17,861,093	18,915,815	6,027,592	7,885,797	4,669,159	333,267
Non-derivative financial liabilities							
Deposits from customers	22	(6,413,333)	(6,733,619)	(6,247,389)	(466,658)	(19,572)	-
Other liabilities	24	(935,658)	(778,882)	(416,883)	(208,441)	(140,321)	(13,237)
Borrowings	23	(4,446,841)	(5,162,846)	(1,592,490)	(586,485)	(1,050,375)	(1,933,496)
		(11,795,832)	(12,675,347)	(8,256,762)	(1,261,584)	(1,210,268)	(1,946,733)

The above analysis is based on the Bank's expected cash flows on the financial liabilities, which do not vary significantly from the contractual cash flows.

(iii) Liquidity reserves

As part of the management of its liquidity risk, the Bank holds liquid assets comprising cash and cash equivalents and investment securities to meet its liquidity requirements.

The following table sets out the component of the Bank's liquidity reserves

In thousands of naira	2025 Carrying amount	2025 Fair value	2024 Carrying amount	2024 Fair value
Cash and cash equivalents	2,873,823	2,873,823	961,627	961,627
Investment securities	551,928	551,928	352,044	352,044
Total liquidity reserves	3,425,751	3,425,751	1,313,671	1,313,671

(iv) Exposure to liquidity risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, 'net liquid assets' includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

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

In thousands of naira	2025	2024
At 31 December	30%	20%
Average for the period	22%	17%
Maximum for the period	45%	22%
Minimum for the period	9%	14%

(d) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, and interest rate and equity prices will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

The Bank's portfolio managers assess, monitor, manage and report on market risk taking activities within the Bank. The Bank has continued to develop its market risk management framework. The operations of the fund managers in connection with the management of market risk is guided by the Bank's culture of reducing the risk of losses associated with market risk-taking activities, and optimizing risk-reward trade-off."

The Bank's market risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Bank and ensure that:

1. The individuals who take or manage risk clearly understand it.
2. The Bank's risk exposure is within established limits.
3. Risk taking decisions are in line with business strategy and objectives set by the Board of Directors.
4. The expected payoffs compensate for the risks taken.

5 Sufficient capital, as a buffer, is available to take risk.

Our market risks exposures are broadly categorised into:

(**i**) **Trading market risks -** These are risks that arise primarily through trading activities and market making activities. These include position taking in fixed income securities (Bonds and Treasury Bills).

(**ii**) **Non trading market risks -** These are risks that arise from assets and liabilities that are usually on our books for a longer period of time, but where the intrinsic value is a function of the movement of financial market parameters.

(i) Measurement of market risk

The Bank currently adopts non-VAR (Value At Risk) approach for quantitative measurement and control of market risks in both trading and non trading books. The measurements includes: Duration and Stress Testing. The measured risks using these two methods are monitored against the pre-set limits on a monthly and weekly basis respectively. All exceptions are investigated and reported in line with the Bank's internal policies and guidelines.

Limits are sets to reflect the risk appetite that is approved by the Board of Directors. These limits are reviewed at least annually or at a more frequent intervals. Some of the limits include: Aggregate Control Limits (for Securities); Management Action Trigger (MAT) and Duration.

(ii) Exposure to foreign exchange risk

Foreign Exchange risk is the exposure of the Bank's financial condition to adverse movements in exchange rates. The Bank can be exposed to foreign exchange risk through any asset, investment and bank balance domiciled in foreign currency.

Currently, the Bank does not have transactions in any other currency except the Bank's reporting currency i.e. Naira. Hence, it is not exposed to foreign exchange risk.

(iii) Exposure to interest rate risk

The Bank is exposed to a considerable level of interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates). Similar to the last financial year, interest rate was fairly volatile. These changes could have a negative impact on the net interest income, if not properly managed. This greatly assists it in managing its exposure to interest rate risks.

Sensitivity analyses are carried out from time to time to evaluate the impact of rate changes on the net interest income. The assessed impact has not been significant on the capital or earnings of the Bank.

The table below summarizes the Bank's interest rate gap position:
31 December 2025

In thousands of naira	Note	Carrying amount	Gross nominal inflow/ (outflow)	Up to 3 months	3 - 6 months	6 months - 1 year	Over 1 year
				Contractual cash flows			
Assets							
Cash and cash equivalents	16	2,873,823	2,904,490	2,904,490	-	-	-
Investment securities	18	551,928	632,178	452,178	180,000	-	-
Loans and advances to customers	17	23,727,425	26,211,895	9,136,321	8,239,272	7,363,585	1,472,717
Other assets	21	700,423	808,327	670,911	121,249	16,167	-
		27,853,599	30,556,890	13,163,900	8,540,521	7,379,752	1,472,717
Liabilities							
Deposits from customers	22	(11,270,251)	(12,165,697)	(11,187,368)	(886,658)	(91,672)	-
Other liabilities	24	(1,074,777)	(1,074,777)	(684,578)	(218,478)	(148,484)	(23,237)
Borrowings	23	(8,245,259)	(9,281,303)	(1,287,654)	(1,586,485)	(3,050,375)	(3,356,789)
		(20,590,287)	(22,521,777)	(13,159,600)	(2,691,621)	(3,290,531)	(3,380,026)
		7,263,312	8,035,113	4,301	5,848,900	4,089,221	(1,907,309)

31 December, 2024

In thousands of naira	Note	Carrying amount	Gross nominal inflow/ (outflow)	Up to 3 months	3 - 6 months	6 months - 1 year	Over 1 year
				Contractual cash flows			
Assets							
Cash and cash equivalents	16	961,627	964,557	964,557	-	-	-
Investment securities	18	352,044	352,076	352,076	-	-	-
Loans and advances to customers	17	16,015,139	16,872,185	6,513,353	6,405,296	3,659,311	294,225
Other assets	21	863,272	878,465	491,036	189,067	198,128	234
		18,192,082	19,067,283	8,321,022	6,594,363	3,857,439	294,459
Liabilities							
Deposits from customers	22	(6,413,333)	(6,534,288)	(6,348,981)	(88,295)	(97,013)	-
Other liabilities	24	(935,658)	(1,703,096)	(976,909)	(469,857)	(159,426)	(96,903)
Borrowings	23	(4,446,841)	(5,162,846)	(1,592,490)	(586,485)	(1,050,375)	(1,933,496)
		(11,795,832)	(13,400,230)	(8,918,380)	(1,144,637)	(1,306,814)	(2,030,399)
		6,396,250	5,667,053	(597,358)	5,449,726	2,550,625	(1,735,940)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200 basis point (BP) parallel fall or rise in all yield curves. An analysis of the Bank's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows.
The Bank's sensitivity to an increase or decrease in interest rates by 200 basis points:

In thousands of naira	31-Dec-2025	31-Dec-2024
Increase in interest rate by 200 basis points (+2%)	551,304	360,269
Decrease in interest rate by 200 basis point (-2%)	(551,304)	(360,269)

Interest rate movement affects reported income by causing an increase or decrease in net interest income and fair value changes.

Capital management

The strategy for assessing and managing the impact of our business plans on present and future regulatory capital forms an integral part of the Bank's strategic plan. Specifically, the Bank considers how the present and future capital requirements will be managed and met against projected capital requirements. This is based on the Bank's assessment and against the supervisory/regulatory capital requirements taking account of the Bank business strategy and value creation to all its stakeholders.

In its revised circular dated 7 March 2019, the Central Bank of Nigeria (CBN) raised the minimum capital for national microfinance banks (MFBs) from N2 billion to N5 billion. The bank currently has a net asset of N7.7 billion as its capital which has been met the CBN minimum capital requirement of having N5 billion by April 2024

Capital adequacy
The Capital Adequacy Ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, the regulatory capital of a national Microfinance Bank is N5 billion, while a minimum ratio of 10% is to be maintained.

(i) The Bank strives to maintain a Capital Adequacy Ratio above the regulatory minimum of 10%. Capital levels are determined either based on internal assessments or regulatory requirements.

(ii) The capital adequacy of the Bank is reviewed regularly to meet regulatory requirements and standard of international best practices in order to adopt and implement the decisions necessary to maintain the capital at a level that ensures the realization of the business plan with a certain safety margin.

(iii) The Bank undertakes a regular monitoring of capital adequacy. The Bank has consistently met and surpassed the minimum capital adequacy requirements applicable in all areas of operations.

(iv) The Bank's capital plan is linked to its business expansion strategy which anticipates the need for growth and expansion in its branch network and IT infrastructure. The capital plan sufficiently meets regulatory requirements as well as providing adequate cover for the Bank's risk profile. The Bank's capital adequacy remains strong and the capacity to generate and retain reserves continues to grow.

In thousands of naira	Note	31-Dec-25	31-Dec-24
Tier 1 capital			
Ordinary share capital	25	1,205,834	1,205,834
Share premium	26(a)	8,138	8,138
General reserves	27(a)	4,043,835	3,352,706
Statutory reserves	27(b)	1,990,447	1,862,071
Regulatory risk reserves	27(c)	519,279	674,000
		7,767,533	7,102,749
Less: regulatory deduction			
Intangible assets	20	(280,972)	(338,144)
Eligible Tier 1 capital		7,486,561	6,764,605
Total regulatory capital		7,486,561	6,764,605
Risk-weighted assets		**26,456,111**	**18,345,422**

Capital ratios

Total regulatory capital expressed as a percentage of total risk-weighted assets	28%	37%
Total tier 1 capital as a percentage of total risk-weighted assets	29%	39%

Computation of Risk Weighted Assets of On-balance Sheet Exposure (2025)

Exposure Details	Gross Exposure before CRM	Credit Risk Mitigation (CRM)	Net Exposure after CRM	Risk Weight %	RWA
Cash & cash equivalents	2,873,823	-	2,873,823	-	-
Regulatory retail portfolio	-	-	-	75	-
Loan & advances to customers	23,727,425	-	23,727,425	100	23,727,425
Investment securities	551,928	-	551,928	100	551,928
Other assets	1,033,006	-	1,033,006	100	1,033,006
Property, plant & equipment	862,780	-	862,780	100	862,780
Intangible assets	280,972	-	280,972	100	280,972
	29,329,934				**26,456,111**

Computation of Risk Weighted Assets of On-balance Sheet Exposure (2024)

Exposure Details	Gross Exposure before CRM	Credit Risk Mitigation (CRM)	Net Exposure after CRM	Risk Weight %	RWA
Cash & cash equivalents	961,627	-	961,627	-	-
Regulatory retail portfolio	-	-	-	75	-
Loan & advances to customers	16,015,139	-	16,015,139	100	16,015,139
Investment securities	352,044	-	352,044	100	352,044
Other assets	863,272	-	863,272	100	863,272
Property, plant & equipment	776,823	-	776,823	100	776,823
Intangible assets	338,144		338,144	100	338,144
	19,307,049				**18,345,422**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

6 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(f)(viii): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of models used to measure ECL.
- Notes 3(f)(ii): classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Notes 3(f)(vii): impairment of financial instruments: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

- Note 31: recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources. Accounting policies on contingencies is contained in note 3(q) of the financial statements.
- Note 3 (e)(ii)): establishing the criteria for recognising deferred tax assets and liabilities. the recoverability of the deferred tax assets is also reviewed based on applicable assumptions.

These disclosures supplement the commentary on financial risk management (see note 4).

Key sources of estimation uncertainty

(a) Impairment of financial assets

IFRS 9 impairment requirements are based on an expected credit loss model (ECL). Key changes in the Bank's accounting policies for
impairment of financial assets are listed below.

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost, FVOCI and loan commitment. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

(b) Measurement of fair values

A number of the Bank's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
The Bank regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Bank assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.
The Bank's accounting policy on fair value measurement is discussed in Note 3(h)(viii).

Valuation models

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making themeasurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses observable market data to determine the fair value of its equity securities. Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The Bank does not have any instrument at fair value as at 31 December 2025 (31 December 2024: NIL)
There was no financial instrument measured in Level 3 of the fair value hierarchy, hence there is no table to show a reconciliation from the beginning balance to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

Financial instruments not measured at fair value

The table below sets out the fair value of financial instruments not measured at fair value and analysed by level in the value hierarchy into which each fair value measurement is categorised.

31-Dec-25						
In thousands of naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
ASSETS						
Cash and cash equivalents	16	-	2,873,823	-	2,873,823	2,873,823
Loans and advances to customers	17	-	23,727,425	-	23,727,425	23,727,425
Investment securities at amortized cost	18	-	551,928	-	551,928	551,928
Other receivables	21	-	1,140,759	-	1,140,759	700,423
		-	28,293,935	-	28,293,935	27,853,599
LIABILITIES						
Deposits from customers	22	-	11,270,251	-	11,270,251	11,270,251
Other liabilities	24	-	1,074,777	-	1,074,777	1,074,777
Borrowings	23	-	6,401,382	-	6,401,382	6,401,382
		-	18,746,410	-	18,746,410	18,746,410

31-Dec-24						
In thousands of naira	Note	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
ASSETS						
Cash and cash equivalents	16	-	961,627	-	961,627	961,627
Loans and advances to customers	17	-	16,015,139	-	16,015,139	16,015,139
Investment securities at amortized cost	18	-	352,044	-	352,044	352,044
Other receivables	21	-	927,055	-	927,055	863,272
		-	18,255,865	-	18,255,865	18,192,082
LIABILITIES						
Deposits from customers	22	-	6,413,333	-	6,413,333	6,413,333
Other liabilities	24	-	935,658	-	935,658	935,658
Borrowings	23	-	4,446,841	-	4,446,841	4,446,841
		-	11,795,832	-	11,795,832	11,795,832

Cash and cash equivalents

Cash and cash equivalents are cash deposits in banks and short term deposits (placements) with financial institutions. The cash deposits and placements are deemed to be at fair value due to the limited term to maturity of these instruments.

Other receivables

The carrying amount of trade and other receivable is a reasonable approximation of their fair value, which is not materially sensitive to changes in market rate of return due to limited term to maturity of these instruments.

Loans and advances to customers
Where they are available, the fair value of loans and advances is based on observable market transactions. Where observable market transactions are not available, fair value is estimated using valuation models, such as discounted cashflow techniques. Input into the valuation techniques includes expected life credit losses, interest rates, prepayment rates and primary origination or secondary market spreads.

Deposits from customers

The fair value of deposits payable on demand is the amount payable at the reporting date.

Other liabilities
Other liabilities consist of amount owed to non-trade related creditors. The carrying amount of other creditors is a reasonable
approximation of their fair value, which is payable on demand.

(c) Determination of regulatory risk reserves

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Central Bank of Nigeria's (CBN) Amended Regulatory and Supervisory Guidelines for Microfinance Banks. This is at variance with the expected credit loss model required by IFRS 9. As a result of the differences in the methodology/ provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 3.5 of the exposed Prudential Guidelines for Microfinance Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:
(i) Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes accounted for in general reserves as follows:

- where Prudential provisions is greater than IFRS provisions: the excess provision resulting should be transferred from the retained reserve account to a non-distributable "regulatory risk reserve".
- where Prudential impairment provisions is less than IFRS provisions: the excess charges resulting should be transferred from the Regulatory Risk Reserve account to the general reserves to the extent of the non-distributable reserve previously recognised.

(ii) The non-distributable reserve should be classified under Tier 1 as part of the core capital.

The Bank has complied with the requirements of the guidelines as follows:

Prudential adjustments for the year ended 31 December, 2025

In thousands of naira	Note		₦'000
Impairment assessment under IFRS			
Loan and advances:			
Stage 1	17(c)		129,277
Stage 2	17(c)		20,045
Stage 3	17(c)		676,494
Other assets:			
Stage 3			-
Total impairment allowances on loans (a)			**825,816**
Specific provision:	**%**	**Gross exposure**	**Total**
- Pass and watch	5	105,990	5,300
- Sub-standard	20	90,552	18,110
- Doubtful	50	98,910	49,455
- Lost	100	1,040,053	1,040,053
		1,335,505	**1,112,918**
Collective provision	1	**23,217,736**	**232,177**
Total regulatory impairment based on prudential guidelines (b)		**24,553,241**	**1,345,095**
Required balance in regulatory risk reserves (c = b - a)			**519,279**
Balance, 1 January 2025			**674,000**
Transfer from regulatory risk reserves			**(154,721)**
Balance, 31 December, 2025			**519,279**

Prudential adjustments for the year ended 31 December, 2024

In thousands of naira	Note		
Impairment assessment under IFRS			
Loan and advances:			
Stage 1	17(c)		116,842
Stage 2	17(c)		34,526
Stage 3	17(c)		836,655
Total impairment allowances on loans (a)			**988,023**
Specific provision:	**%**	**Gross exposure**	**Total**
- Pass and watch	5	253,245	12,662
- Sub-standard	20	142,125	28,425
- Doubtful	50	68,789	34,395
- Lost	100	1,435,447	1,435,447
		1,899,607	**1,510,929**
Collective provision	1	15,109,448	151,094
Total regulatory impairment based on prudential guidelines (b)		**17,009,055**	**1,662,023**
Required balance in regulatory risk reserves (c = b - a)			**674,000**
Balance, 1 January 2023			**645,684**
Transfer to regulatory risk reserves			**28,316**
Balance, 31 December, 2024			**674,000**

7 Financial assets and financial liabilities

Accounting classification measurement basis and fair values

The table below sets out the carrying amounts classification and fair values of the Bank's financial assets and financial liabilities:

31 December, 2025

In thousands of naira	Note	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	16	-	-	2,873,823	2,873,823	2,873,823
Loans and advances to customers	17	-	-	23,727,425	23,727,425	23,727,425
Investment securities	18	-	-	551,928	551,928	551,928
Other assets	21	-	-	700,423	700,423	808,327
		-	-	**27,853,599**	**27,853,599**	**27,961,503**
Deposits from customers	22	-	-	11,270,251	11,270,251	11,270,251
Other liabilities	24	-	-	1,074,777	1,074,777	1,074,777
Borrowings	23	-	-	8,245,259	8,245,259	6,401,382
		-	-	**20,590,287**	**20,590,287**	**18,746,410**

31 December, 2024

In thousands of naira	Note	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total carrying amount	Fair value
Cash and cash equivalents	16	-	-	961,627	961,627	961,627
Loans and advances to customers	17	-	-	16,015,139	16,015,139	16,015,139
Investment securities	18	-	-	352,044	352,044	352,044
Other assets	18	-	-	863,272	863,272	878,465
		-	-	**18,192,082**	**18,192,082**	**18,207,275**
Deposits from customers	22	-	-	6,413,333	6,413,333	6,413,333
Other liabilities	24	-	-	935,658	935,658	935,658
Borrowings	23	-	-	4,446,841	4,446,841	4,446,841
		-	-	**11,795,832**	**11,795,832**	**11,795,832**

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 are used as the basis of observable market prices and rates including, for example, interest rate, yield curves, equities and prices.

8 Interest income calculated using the effective interest method.

In thousands of naira	31-Dec-2025	31-Dec-2024
Loans and advances	10,546,754	6,759,501
Treasury bills	66,037	42,484
Money market placement	144,371	133,884
Total interest income calculated using the effective interest method	10,757,162	6,935,869

9 Interest expense

In thousands of naira	31-Dec-2025	31-Dec-2024
Term deposits	604,120	250,158
Savings deposits	251,822	159,242
Borrowings (see note 23(b))	1,227,506	593,417
Others	568	1,158
Total interest expense	2,084,016	1,003,975

10 Fees and commission income

In thousands of naira	31-Dec-2025	31-Dec-2024
Credit-related fees and commission	460,110	350,889
Insurance fee	178,642	87,445
Customer's deposit-related fees and commission	15,056	6,727
	653,808	445,061

(i) Disaggregation of fee and commission income

In the following table, fee and commission income from contracts with customers in the scope of IFRS 15 is disaggregated by major type of fees.

In thousands of naira	31-Dec-2025	31-Dec-2024
Loan management fee	460,110	350,889
Insurance fee	178,642	87,445
	638,752	438,334
Account administration and maintenance fee	13,725	4,532
Commission on turnover	1,331	2,195
	15,056	6,727
	653,808	445,061

The fee and commission presented above relate to financial assets and liabilities measured at amortised cost. These figures exclude amounts incorporated in determining the effective interest rate on such financial assets and liabilities.
The loans and advances with customers run for tenors of between 3months-4years. The loans and overdraft were impaired by N826 million (31 December, 2024: N988 million).

The management fees on these facilities are deferred and spread over the tenor of the loan. The amount of revenue recognised for the year ended 31 December, 2025 was N460 million (31 December, 2024: N351 million). See note 10(i).

Loan management fee relates to fees for loan processing on facilities granted to customers. This is usually 1% of loan disbursed or loan restructured.

(ii) Contract balances

The following table provides information about contract liabilities.

In thousands of naira	31-Dec-2025	31-Dec-2024
Contract liabilities which relates to deferred income recognized in other liabilities	-	-

(iii) Performance obligation and revenue recognition policy

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.
The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

For the accounting policy for fees and commissions in the scope of IFRS 9, see note 3(b).

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail and corporate banking service	The bank provides banking services to retail and corporate customers, including account management. Fees for ongoing account management are charged to the customer's account on a monthly basis. The rates for the different class of accounts are set on an annual basis. Transaction-based fees for interchange are charged to the customer's account when the transaction takes place. Loan servicing fees are charged once when the transaction takes place.	Revenue from deposit related services are recognized overtime as the services are provided. Revenue from credit related services are recognized at a point in time when the transaction takes place.

11 Other income

In thousands of naira	31-Dec-2025	31-Dec-2024
Service fees and charges (see (i) below)	61,889	12,878
Miscellaneous income (see note ii below)	31,722	177,034
Profit on disposal of property and equipment	656	1,428
Letting Income	4,978	-
Cash recovery of loans written-off	68,035	76,948
	167,280	268,288

(i) Service fees and charges include fees on customer requests such as issuance of letter of indebtedness, charges on issuance of drafts, seals, stamps, reference letters and signature confirmation letters. These are recognized at the point in time when the transaction takes place.

(ii) Miscellaneous income is made up of income from e-channel sources and other income such as revaluation foreign exchange on cash and cash equivalents and financial instruments. The break down is shown below:

In thousands of naira	31-Dec-2025	31-Dec-2024
USSD NIP -Fee income	1,780	1,312
Mobile App income	13,907	6,144
Other E-channels income	3,984	5,694
Agency services income	21,680	368
Foreign exchange (loss)/ gain	(9,629)	163,516
	31,722	**177,034**

12 Expected Credit Loss Expense

In thousands of naira	31-Dec-2025	31-Dec-2024
Impairment loss on loans and advances to customers (See note 17(c))	438,874	259,502
Impairment loss/(writeback) on investment securities at amortised cost (see note 18(b))	218	(174)
Impairment loss on cash and cash equivalent (see note 16(b))	27,737	765
	466,829	260,093
Impairment charge during the year on other assets (see note 21(d))	79,641	27,673
Total credit loss expenses	546,470	287,766

13 Personnel expenses

In thousands of naira	31-Dec-2025	31-Dec-2024
Wages and salaries	3,856,491	2,850,280
Post-employment benefits:		
Defined contribution plan - pension cost	66,950	74,482
	3,923,441	2,924,762

(a) The average number of persons employed during the year by category:

	31-Dec-2025	31-Dec-2024
Executive Director	1	1
Management	18	15
Non-management	797	866
	816	882

The number of employees of the Bank, including executive Directors, who received emoluments in the following ranges were:

	31-Dec-2025	31-Dec-2024
Less than N500,000	6	46
₦500,001 - ₦1,000,000	35	4
₦1,000,001 - ₦2,500,000	322	317
₦2,500,001 - ₦3,500,000	184	165
₦3,500,001 - ₦4,500,001	162	105
₦4,500,0001 - ₦5,500,000	49	168
₦5,500,001 and above	55	77
	813	**882**

(b) Director's emolument

The remuneration paid to the executive and non-executive Directors of the Bank (excluding pension and certain allowances) was:

In thousands of naira	31-Dec-2025	31-Dec-2024
Directors' fees	24,827	29,750
Sitting allowances	57,000	70,033
Other Directors' expenses	66,558	74,129
Total Non-Executive Directors' remuneration (see note 14)	148,385	173,912
Executive compensation (see note 28(b)(i))	84,838	60,168
	233,223	234,080
The Directors' remuneration shown above includes:		
The Chairman	7,500	10,700
Highest paid Director	84,838	60,168

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

	31-Dec-2025	31-Dec-2024
₦0 - ₦1,500,000	-	-
₦1,500,001 - ₦3,000,000	-	1
₦3,000,001 - ₦4,500,000	1	-
₦4,500,001 - ₦6,000,000	1	1
₦6,000,001 - Above	6	9
	8	**11**

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For the year ended 31 December 2025

14 Other operating expenses

In thousands of naira	31-Dec-2025	31-Dec-2024
Repairs and maintenance cost	131,919	119,246
Vehicle and generator running cost	22,524	33,285
Telephone expenses	248,329	272,612
Office expenses	150,249	125,917
Travel expenses	132,654	67,050
AGM & Year end expenses	3,200	1,667
Directors' remuneration	148,385	173,912
Training cost	95,939	49,810
Bank charges	4,898	7,750
Marketing/publicity expenses	168,273	76,177
Professional fees	112,083	102,631
Insurance cost	254,164	215,874
NDIC premium	22,230	14,966
Rent and rates	28,992	25,570
Subscription fees	44,961	51,633
Digital expenses	634,977	408,688
Utilities	131,884	106,671
Auditor's remuneration	21,769	15,588
CBN penalty (see note 29 for details)	-	500
Other expenses (see note a)	416,975	397,018
	2,774,405	2,266,565

(a) Other expenses includes the following:

	31-Dec-2025	31-Dec-2024
Donations	421	950
Recruitment expenses	11,928	8,080
ITF expenses	38,670	35,000
Medical expenses	3,132	13,513
Stamp duties	43	105.00
Legal expenses	24,160	15,214
Staff forum expenses	51,000	55,451
NSITF expenses	91,230	90,550.00
Miscellaneous expenses (see breakdown below)	196,391	178,155
	416,975	397,018

	31-Dec-2025	31-Dec-2024
Relocation expenses	5,632	2,221
Recovery expenses	80,110	80,726
Trainee allowance	87,381	80,225
Retreat expenses	12,192	7,182
Business premises permit	7,846	5,490
Fraud, defalcation and investigation expenses	825	-
Other business expenses	2,405	2,311
	196,391	178,155

15 Income taxes

In thousands of naira	31-Dec-2025	31-Dec-2024
(a) Amounts recognized in profit or loss		
Current tax expense		
Company income tax	737,503	156,601
Development levy	106,797	-
Education tax	-	28,583
NITDA Levy	-	8,002
Nigeria Police Trust Fund (NPTF) levy	-	40
National Agency for Science and Engineering Infrastructure (NASENI) levy	-	2,000
Current year income tax	844,300	195,226
Change in estimates related to prior period	-	(38,366)
	844,300	156,860
Deferred tax expense recognised in statement of profit or loss		
Origination of temporary differences (see note (c))	(49,886)	67,761
	(49,886)	67,761
Tax expense	794,414	224,621

The Bank believes that its accrual for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

(b) Movement in current tax liabilities

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at 1 January	240,892	226,813
Income tax expense (see note (a) above)	844,300	195,226
Change in estimates related to prior period	-	(38,366)
Utilised WHT credit note	(8,236)	-
Tax paid	(142,880)	(142,781)
Balance at 31 December	934,076	240,892

(c) Movement in deferred tax balances

In thousands of naira	31-Dec-2025	31-Dec-2024
Deferred tax liability as at 01 January	85,684	17,923
Deferred tax charge during the period	(49,886)	67,761
Deferred tax liability as at 31 December	35,798	85,684

The movement in net deferred tax liability is attributable to:

In thousands of naira	31-Dec-23	Recognised in profit or loss	31-Dec-24	Recognised in profit or loss	31-Dec-25
Cash and cash equivalents	(321)	69	(252)	(6,657)	(6,909)
Loans and advances	30,789	(80,740)	(49,951)	49,244	(707)
Investment securities	(13)	2	(11)	(72)	(83)
Property and equipment	28,693	80,695	109,388	(162)	109,226
Intangible assets	(3,913)	51,471	47,558	(23,798)	23,760
Other assets	(37,312)	16,264	(21,048)	(14,511)	(35,559)
	17,923	67,761	85,684	4,044	89,728

(d) Reconciliation of effective tax rate

In thousands of naira	31-Dec-2025		31-Dec-2024	
	%	**1,821,421**	%	**800,249**
Profit before tax				
Tax using the Bank's domestic tax rate	30	546,426	30	240,075
Tax effect of:				
Non-deductible expenses	37	294,197	186	417,412
Tax-exempt income	(13)	(103,120)	(222)	(498,886)
Tertiary Education Tax	-	-	13	28,583
NITDA Levy	-	-	4	8,002
Development Levy	13	106,797	-	-
Nigeria Police Trust Fund (NPTF) levy	-	-	0	40
Recognition of previously unrecognised deductible temporary differences	-6	(49,886)	30	67,761
Change in estimates related to prior period	-	-	(17)	(38,366)
	44%	**794,414**	28%	**224,621**

16 Cash and cash equivalents

In thousands of naira	31-Dec-2025	31-Dec-2024
(a) Cash and cash equivalent comprise:		
Cash on hand:		
Cash on hand	21,439	18,189
	21,439	18,189
Deposits with banks:		
Current account balances with other banks	423,283	288,164
Money market placements	2,459,768	658,204
	2,883,051	946,368
Cash and cash equivalents for cash flow purposes:	2,904,490	964,557
Impairment allowance (see note (b) below)	(30,667)	(2,930)
Cash and cash equivalents	2,873,823	961,627
(b) Movement in impairment allowance:		
Balance at 1 January	2,930	2,165
Impairment loss (see note 12)	27,737	765
	30,667	2,930

Cash at banks earns interest at fixed rates based on the bank deposit rates. Placements with banks are made for varying periods of between one day and three months, depending on the immediate cash requirements of the bank, and earn interest at the respective short-term deposit rates.

17 Loans and advances to customers

In thousands of naira	31-Dec-2025	31-Dec-2024
(a) Loans and advances to customers comprise:		
Loan and advances to customers at amortised cost	23,727,425	16,015,139
	23,727,425	16,015,139
Current	22,254,708	15,720,914
Non-current	1,472,717	294,225
	23,727,425	16,015,139

(b) Loans and advances to customers at amortised cost:

In thousands of naira	31 December, 2025			31 December, 2024		
	Gross Amount	ECL Allowance	Carrying Amount	Gross Amount	ECL Allowance	Carrying Amount
Term loans	24,517,169	(802,706)	23,714,463	16,988,378	(978,551)	16,009,827
Overdrafts	36,072	(23,110)	12,962	14,784	(9,472)	5,312
	24,553,241	(825,816)	23,727,425	17,003,162	(988,023)	16,015,139

(c) Movement in allowances for impairment

In thousands of naira	31 December, 2025				31 December, 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Balance at the beginning of the year	116,842	34,526	836,655	988,023	200,359	41,432	943,598	1,185,389
Additional allowance/(reversal) during the year	12,435	(14,481)	440,920	438,874	(83,517)	(6,906)	349,925	259,502
Write-offs during the year	-	-	(601,081)	(601,081)	-	-	(456,868)	(456,868)
Balance at the end of the year	129,277	20,045	676,494	825,816	116,842	34,526	836,655	988,023

18 Investment securities

Investment securities comprise:

	31-Dec-2025	31-Dec-2024
(a) Investment securities at amortised cost		
Treasury bills	552,178	352,076
ECL impairment	(250)	(32)
Total investment securities	551,928	352,044
Current	551,928	352,044
Non-current	-	-
	551,928	352,044
(b) Movement in impairment allowance		
Balance at the beginning of the year	32	206
Impairment loss during the year (see note 12)	218	(174)
Balance at the end of the year	250	32

19 Property and Equipment

In thousands of naira

(a)

	Buildings	Land	Furniture and Fittings	Machine and Equipments	Work-in-progress	Motor Vehicles	Computer Equipment	Leasehold Improvements	Total
Cost:									
Balance as at 1 January 2024	544,607	102,100	184,878	380,289	2,145	70,311	637,374	209,000	2,130,704
Additions during the year	334	-	1,750	19,307	-	-	46,075	29,560	97,026
Disposals	-	-	-	(8,710)	-	-	(1,156)	(120)	(9,986)
Transfers	-	-	-	-	-	-		-	-
Balance at 31 December, 2024	544,941	102,100	186,628	390,886	2,145	70,311	682,293	238,440	2,217,744
Balance as at 1 January 2025	544,941	102,100	186,628	390,886	2,145	70,311	682,293	238,440	2,217,744
Additions during the year	20,970	-	19,001	47,701	-	1,099	110,848	4,945	204,564
Disposals	-	-	-	(2,094)	-	-	(635)	-	(2,729)
Transfers	-	-	-	-	(2,047)	-	1,687	360	-
Balance at 31 December, 2025	565,911	102,100	205,629	436,493	98	71,410	794,193	243,745	2,419,579
Accumulated Depreciation:									
Balance at 1 January 2024	47,290	-	164,688	282,449	-	52,311	595,317	207,604	1,349,659
Charge for the year	12,023	-	7,608	35,724	-	8,000	35,610	1,061	100,026
Correction of opening balance	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(7,555)	-	-	(1,089)	(120)	(8,764)
Balance at 31 December, 2024	59,313	-	172,296	310,618	-	60,311	629,838	208,545	1,440,921
Balance at 1 January 2025	59,313	-	172,296	310,618	-	60,311	629,838	208,545	1,440,921
Charge for the year	13,179	-	7,664	35,847	-	8,023	41,135	11,843	117,691
Disposals	-	-	-	(1,396)	-	-	(417)	-	(1,813)
Balance at 31 December, 2025	72,492	-	179,960	345,069	-	68,334	670,556	220,388	1,556,799
Carrying amount: 1 January 2024	497,317	102,100	20,190	97,840	2,145	18,000	42,057	1,396	781,045
Carrying amount: 31 December, 2024	485,628	102,100	14,332	80,268	2,145	10,000	52,455	29,895	776,823
Carrying amount: 31 December, 2025	493,419	102,100	25,669	91,424	98	3,076	123,637	23,357	862,780

- There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December, 2024: Nil).
- There was no impairment loss on all classes of property and equipment during the year (31 December, 2024: Nil).
- There were no property and equipment pledged as securities for liabilities (31 December, 2024: Nil).
- There were no contractual commitments for the acquisition of property and equipment (31 December, 2024: Nil).
- There were no amounts of proceeds and cost that relates to items produced as output of the entity's ordinary activities

b **Right-of-use assets**

Cost:	**31-Dec-25**	**31-Dec-24**
Balance as at 1 January 2024	673,138	606,564
Additions during the year	242,093	66,574
Transfers	-	-
Balance at 31 December. 2024	915.231	673.138
Accumulated Depreciation:		
Balance at 1 January 2025	561,675	450,489
Charge for the year	139,094	111,186
Balance at 31 December, 2025	700,769	561,675
Carrying amount	**214,462**	**111,463**

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For the year ended 31 December 2025

20 Intangible asset

In thousands of naira

	Computer Software	WIP Computer Software	Total
Cost:			
Balance as at 1 January 2024	655,965	388,880	1,044,845
Additions during the year	55,309	-	55,309
Transfers	388,880	(388,880)	-
Balance at 31 December, 2024	1,100,154	-	1,100,154
Balance as at 1 January 2025	1,100,154	-	1,100,154
Additions during the year	114,540	-	114,540
Balance at 31 December, 2025	1,214,694	-	1,214,694
Accumulated Amortisation:			
Balance at 1 January 2024	607,321	-	607,321
Charge for the year	154,689	-	154,689
Balance at 31 December, 2024	762,010	-	762,010
Balance at 1 January 2025	762,010	-	762,010
Charge for the year	171,712	-	171,712
Balance at 31 December, 2025	933,722	-	933,722
Carrying amount: 1 January 2024	48,644	388,880	437,524
Carrying amount: 31 December, 2024	338,144	-	338,144
Carrying amount: 31 December, 2025	280,972	-	280,972

- All intangible assets are non current. Intangible assets of the Bank have finite useful life and are amortised over 3 years.
- The Bank does not have internally generated intangible assets.
- The Bank WIP computer software relates to the upgrade of the banking software which commenced in 2023 and currently ongoing

21 Other assets

In thousands of naira	**31-Dec-2025**	**31-Dec-2024**
Other financial assets:		
Other receivables (see note (c) below)	25,820	51,068
Nigeria Instant Payment (NIP) receivables	730,641	484,318
Withholding Tax receivables	19,123	27,954
Receivable from staff scheme Trustee	32,592	32,726
	808,176	596,066
Impairment allowance (see note (d) below)	(107,753)	(63,783)
	700,423	532,283
Non financial assets:		
Prepayments (see note (a) below)	308,167	295,804
Stationeries and consumables (see note (b) below)	24,416	35,185
	332,583	330,989
	1,033,006	863,272
Gross closing balance	1,140,759	927,055
Current	1,033,006	863,272
Non-current	-	-
	1,033,006	863,272

(a) Prepayments comprise the following:

In thousands of naira	31-Dec-2025	31-Dec-2024
Prepaid insurance	37,261	69,823
Prepaid office rent	24,444	9,341
Prepaid subscription	5,941	10,998
Prepaid IT expenses	195,990	166,447
Other prepaid expense	9,106	39,195
	272,742	295,804

(b) Stationeries and consumables comprise stock of debit cards, stock of cheques and stock of office stationeries.

In thousands of naira	31-Dec-2025	31-Dec-2024
Cheque books	3,534	3,575
Diesel stock	4,765	3,234
Pre-printed Forms	1,379	2,069
Other stationery	26	1,137
ATM debit cards	2,604	2,654
Promotional items	8,185	10,537
	20,493	23,206

(c) Other receivables includes receivable balances from wallet operators, advance made to suppliers, overage and shortage recovered.

(d) Movement in impairment allowances:

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at the beginning of the year	63,782	36,109
Impairment charge during the year	79,641	27,673
Write-offs	(35,670)	-
Balance at the end of the year	107,753	63,782

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22 Deposits from customers

In thousands of naira	31-Dec-2025	31-Dec-2024
Current deposits	2,761,823	2,045,595
Savings deposits	3,840,146	2,767,512
Term deposits	4,621,780	1,599,461
Sundry deposits	46,502	765
	11,270,251	**6,413,333**

All customer deposits are current in nature.

23 Borrowings

In thousands of naira	31-Dec-2025	31-Dec-2024
(a) Borrowings comprise:		
DBN concessionary loan (see note (ii) below)	2,599,166	2,314,423
Wema Bank advance facility	-	1,111,926
Credicorp loan	1,788,913	1,020,492
FBNQuest Term Loan	2,013,303	-
	6,401,382	4,446,841
Commercial paper issued	1,843,877	-
	8,245,259	**4,446,841**
Current	5,831,456	589,765
Non-current	2,413,803	3,857,076
	8,245,259	4,446,841

(i) The Bank obtained the following Development Bank of Nigeria (DBN) loans for on-lending to micro, small and medium enterprises to grow their businesses.

Date facility was obtained	Amount (₦'million)	Rate	Tenor
December 15, 2023	600	19.00%	3 years
December 27, 2023	300	19.00%	3 years
March 13, 2024	660	22.00%	3 years
June 11, 2024	350	24.75%	3 years
July 5, 2024	240	24.75%	3 years
November 22, 2024	220	24.75%	2 years
December 13, 2024	125	24.75%	2 years
January 6, 2025	150	24.75%	2 years
May 20, 2025	360	24.75%	2 years
July 22, 2025	440	24.75%	2 years
July 30, 2025	80	9.00%	2 years
November 21, 2025	250	24.25%	2 years
December 19, 2025	179	24.25%	2 years
	3,954		

(ii) The Bank obtained an advance facility of ₦1billion from the Wema Bank on 29 September 2024 at a 32.5% interest rate per annum. The advance facility is to augment working capital for on-lending to both existing and new customers. The tenor of the facility is 365 days with a clean-up cycle of 180 days. The facility was fully repaid on September 22, 2025.

(iii) The Nigeria Consumer Credit Corporation (CREDICORP) loans in the Bank's book are as follows. These loans are for on-lending to the Bank's customers.

Date facility was obtained	Amount (₦'million)	Rate	Tenor
September 20, 2024	500	20.00%	2 years
October 30, 2024	500	20.00%	2 years
February 10, 2025	250	18.00%	2 years
February 10, 2025	250	15.00%	2 years
June 18, 2025	200	14.00%	2 years
June 18, 2025	100	18.00%	2 years
June 18, 2025	100	4.00%	4 years
November 13, 2025	400	15.00%	2 years
December 4, 2025	200	15.00%	2 years
	2,500		

(iv) The Bank obtained term loan of ₦2billion, in tranches of ₦1billion each from FBNQuest Merchant Bank at a rate of 28% per annum for a duration of 1 year. The term loan is to further support business activities of on-lending to the Bank's customers. The loan is expected to expire August 27, 2026

Date facility was obtained	Amount (₦'million)	Rate	Tenor
August 27, 2025	1,000	28.00%	1 years
December 22, 2025	1,000	28.00%	1 years
	2,000		

(b) The movement in borrowings during the year was as follows:

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance, beginning of the year	4,446,841	1,924,932
Additions during the year	5,959,000	3,595,000
Interest accrued during the year (see note 9)	1,227,506	593,417
Interest paid during the year	(1,259,124)	(433,856)
Principal repayment during the year	(3,972,841)	(1,232,652)
Balance at year end	6,401,382	4,446,841
Total principal repayment of borrowings (for cashflow purpose)	(3,972,841)	(1,232,652)

(c) Commercial Paper

The Commercial Paper (CP) program was successfully launched on August 22, 2025 and issued September 1, 2025. The Accion Microfinance Bank Series 1 Commercial Paper Issuance was fully subscribed by 42 investors. The total face value raised stood at ₦2,022,578,000.00 with a discounted value of ₦1,729,539,369.37.

In thousands of naira	31-Dec-2025	31-Dec-2024
Issued Amount	2,022,578	-
Proceed from Lead arranger	1,730,800	-
Total establishment and issuance cost	(43,266)	-
Discounted Value	1,687,534	-
Interest Accrued	156,343	-
	1,843,877	-

24 Other liabilities

In thousands of naira	31-Dec-2025	31-Dec-2024
Financial liabilities:		
Accounts payable	60,823	28,364
Productivity bonus (see note (a))	95,864	-
Sundry creditors	22,312	17,630
Accruals (see note b)	228,504	163,908
Other payables	291,621	394,563
NIP payables	168,726	100,505
Interswitch payables	8,940	79,504
Dividend payables	163,821	117,018
Payable on Staff Scheme Trustee	34,166	34,166
	1,074,777	935,658
Non-financial liabilities:		
Withholding tax payable	83,645	66,734
Deferred income	2,747	-
VAT payable	4,362	15,510
ITF payable	40,000	31,575
NHF payable	13,605	171
Pension Payable	1,422	13,580
NSITF Payable	-	12,254
PAYE payable	70,921	53,531
	216,702	193,355
	1,291,479	1,129,013
Current	1,291,479	1,129,013
Non-current	-	-
	1,291,479	1,129,013

(a) This amount represents accrual made at the end of the year for payment of productivity bonus to employees of the Bank. It is linked to the performance of the Bank.

(b) These amounts comprise the transactions of the Bank's accrued expenses for the period. The detail are shown below:

In thousands of naira	31-Dec-2025	31-Dec-2024
Audit fees	27,232	15,588
Director's expenses	33,823	29,392
Professional services	17,536	20,923
Other expenses	74,468	36,629
IT system support	6,060	7,286
Staff variable incentive	69,385	54,090
	228,504	**163,908**

25 Share capital

In thousands of naira	31-Dec-2025	31-Dec-2024
Issued shares and alloted		
1,240,000,000 units of ordinary shares of N1 each	**1,240,000**	**1,240,000**
1,205,833,685 units of ordinary shares of N1 each	**1,205,834**	**1,205,834**
staff shares option 34,166,315 ordinary shares awaiting CBN ratification	**34,166**	**34,166**
	1,240,000	**1,240,000**

Staff Share Option

The Bank has share option scheme under which option to subscribe for its shares has been granted to certain qualifying members of staff. As at December 31, 2025, 1 (one) employee has subscribed to this option. This is awaiting CBN ratification as such has not been included in the oridinary sare capital reported.

Staff share option issued and not taken: 32,592,300 units of ordinary shares of N1 each for Staff share option	**32,591**	**32,591**
Fully paid: 1,574,015 units of ordinary shares of N1 each for Staff share option	**1,575**	**1,575**
	34,166	**34,166**

- Staff share option not taken by the beneficiaries are not entitled for dividend payment as it await CBN approval.

"33,039,286 shares held in trust with Stanbic IBTC Trustees in 2021 for Management staff was increased following the allotment of the existing unissued 1,127,029 shares making a total of 34,166,315 shares in 2023. This makes the total Issued Share Capital of 1,240,000,000 for Accion Microfinance Bank Limited in compliance with the CAC circular of 16th April 2021 that all unissued share capital should be fully issued in line with section 124 of the CAMA Act, 2020 as at December 2023.''

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

26 Share premium and reserves

The nature and purpose of the share premium and reserve accounts in equity are as follows:

(a) Share premium

The share premium warehouses the excess paid by shareholders over the nominal value for their shares. Premiums from the issue of shares are reported in share premium.

27 Retained earnings

(a) General reserves comprise the undistributed profits from previous years, which have not been reclassified to the other reserves noted below.

(b) Statutory reserve

The Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.8.1.7 of the Amended Regulatory and

In line with the CBN requirement, the Bank transferred 12.5% of its profit after tax to statutory reserves as at year-end.

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance, beginning of the year	1,862,071	1,790,117
Transfer to statutory reserve during the year	128,376	71,954
Balance at year end	**1,990,447**	**1,862,071**

(c) Regulatory risk reserve

The regulatory risk reserve warehouses the excess of the impairment allowance on loans and advances computed based on the Central Bank of Nigeria prudential guidelines over that computed based on the expected credit loss (ECL) model under IFRS. For better presentation, the regulatory risk reserve was reclassified from general reserves on the statement of changes in equity (see note 6(c)(ii)).

28 Related party transactions

(a) Parent and ultimate controlling party

As at the year ended 31 December, 2025, the Accion Africa-Asia Investment Bank owns the simple majority of the Banks shares. However, the shareholders does not control the Bank as it is a joint activity of all the shareholders.

(b) Transactions with key management personnel

Key management personnel is defined as the Bank's executive and non-executive Directors, including their close members of family and any entity over which they exercise control.

(i) Key management compensation for the year comprised:

In thousands of naira	31-Dec-2025	31-Dec-2024
Salaries and other short-term benefits (see note 13(b))	84,838	60,168
	84,838	**60,168**

Loans granted to key management personnel:

In thousands of naira	31-Dec-2025	31-Dec-2024
At start of the year	20,000	329
Granted during the year	-	20,000
Repayment during the year	(10,948)	(329)
At end of the year	10,438	20,000
Specific impairment	-	-
Interest earned	(1,386)	-

Other loans granted to key management personnel were performing as at 31 December, 2025 (31 December, 2024: ₦20million).

Loans and advances outstanding:

The amounts granted and their balances as at 31 December, 2025 were as follows:

In thousands of naira

Name	***Relationship***	***Facility type***	***Amount granted***	***31 Dec. 2025***	***31 Dec. 2024***	***Status***
Taiwo Joda Adesina	Managing Director	Rent Advance - Staff	20,000,000	10,438,026	20,000,000	Performing
			20,000,000	**10,438,026**	**20,000,000**	

(iii) Deposits

(a) Deposits of other related parties

Included in deposits is an amount of ₦4.25 million (31 December, 2024: ₦4.25million), representing deposits from major shareholders. The balances as at 31 December were as follows:

In thousands of naira

Name of Bank/individual	***Relationship***	***Type of deposit***	***31-Dec-2025***	***31-Dec-2024***
Ecobank Nigeria Plc	Major shareholder	Term deposit	4,258	4,258
			4,258	**4,258**

29 Compliance with banking and other regulations

During the year ended 31 December 2025, the Bank paid no penalties (31 December 2024: N500,000).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

30 Events after the reporting period.

There were no subsequent events which could have a material effect on the financial position of the Bank as at 31 December, 2025 or the profit for the year then ended on that date, that have not been adequately provided for or disclosed in the financial statements.

31 Contingencies

Litigation and claims

The Bank in its ordinary course of business was involved in 26 cases as at 31 December, 2025 (31 December, 2024: 23) as a co-defendant/defendant. The directors of the bank are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the bank and are not aware of any other pending and/or threatened claims or litigations which may be material to the financial statements. However, the total amount that may be claimed against the Bank is estimated at N147,299,615.34 million (31 December, 2024: N30.3 million).

32 Earnings per share

The Bank presents basic EPS for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Basic earnings per share

	31-Dec-2025	**31-Dec-2024**
Net profit attributable to shareholders (in thousands of naira)	1,027,007	575,628
Number of shares in issue (in thousands)	1,205,834	1,205,834
Weighted average number of shares in issue (in thousands)	1,205,834	1,205,834
Basic earnings per share (kobo)	85	48

For the year end 31 December, 2025, there are no dilutive shares. Therefore, the Basic EPS and diluted EPS are the same (2024:Nil).

33 Dividend per share

	31-Dec-2025	31-Dec-2024
Dividend proposed	422,042	362,223
Number of shares issued	1,205,834	1,205,834
Number of shares issued and ranking for dividend	1,207,409	1,207,409
Proposed dividend per share (kobo)	35	30
Final dividend per share proposed	35	30
Total proposed dividend for the year	422,042	362,223
Total dividend paid during the year	362,223	241,482
Dividend paid per (kobo)	30	20

The Board of Directors, pursuant to the powers vested in it by the provisions of Section 426 of the Companies and Allied Matters Act of Nigeria (CAMA), 2020, has proposed a final dividend of ₦0.35K (31 December, 2024: final; ₦0.30K) from the general reserves account as at 31 December, 2025. This is subject to approval by shareholders at the next Annual General Meeting.

The number of shares in issue and ranking for dividend represents the total allotted number of shares as at 31 December, 2025 and 31 December, 2024 respectively.

Dividends are paid to shareholders net of withholding tax at the rate of 10% in compliance with extant tax laws.

34 Statement of cash flows notes

(a)(i) Proceeds from disposal of property and equipment

In thousands of naira	31-Dec-2025	31-Dec-2024
Cost of property and equipment disposed during the year (see note 19)	2,728	9,986
Accumulated depreciation on property and equipment disposed (see note 19)	(1,813)	(8,764)
Net book value of property and equipment disposed	915	1,222
Profit on sales of property and equipment (see note 11)	656	1,428
Proceeds from disposal of property and equipment	1,571	2,650

(ii) Acquisition of PPE

In thousands of naira	31-Dec-2025	31-Dec-2024
PPE additions during the year (see note 19)	202,516	97,026
	202,516	97,026

(b) Loans and advances to customers (see note 17)

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at beginning of the year	17,003,162	12,872,185
Balance at year end	24,553,241	17,003,162
	7,550,079	4,130,977
Interest receivable (see note (g))	(1,185,612)	(1,118,429)
Write off (see note 17(c))	(601,081)	(456,868)
	5,763,386	2,555,680

(c) Changes in other assets (see note 21)

In thousands of naira	31-Dec-2025	31-Dec-2024
Gross balance at beginning of the year	927,055	668,824
Gross balance at year end	1,140,759	927,055
	213,704	258,231

(d) Changes in deposit from customers (see note 22)

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at beginning of the year	(6,413,333)	(4,303,970)
Balance at year end	(11,270,251)	(6,413,333)
	(4,856,918)	(2,109,363)
Interest payable	216,416	47,126
	(4,640,502)	(2,062,237)

(e) Other liabilities (see note 24)

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at beginning of the year	(1,129,013)	(1,622,738)
Balance at year end	(1,291,479)	(1,129,013)
VAT payable opening	15,510	2,882
VAT payable closing	4,362	15,510
Changes in VAT	(11,148)	12,628
	(151,318)	481,097

(f) Investment securities at amortised cost (see note 18)

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at beginning of the year	352,076	290,131
Movement	200,102	61,945
Balance at year end	552,178	352,076
Explained by:		
Purchase of treasury bill investments	(494,065)	(319,461)
Redemption of treasury bill investments	360,000	300,000
Interest income (see note 8)	(66,037)	(42,484)
	(200,102)	(61,945)

(g) Interest received

In thousands of naira	31-Dec-2025	31-Dec-2024
Interest income (see note 8)	10,757,162	6,935,869
Interest receivable on loans - prior year (see note 34(b))	999,270	711,459
Interest receivable on treasury bills - prior year	7,924	9,869
Interest received from loans	1,001,246	262,731
Interest receivable on loans (see note 34(b))	(1,185,612)	(999,270)
Interest receivable on treasury bills	(27,822)	(7,924)
Interest received	11,552,168	6,912,734

(h) Interest paid

In thousands of naira	31-Dec-2025	31-Dec-2024
Interest expense on liabilities (see note 9)	(2,084,016)	(1,003,975)
Interest payable on borrowings - prior year	(156,673)	(34,099)
Interest payable on deposit- prior year	(47,126)	(30,629)
Interest payable on borrowings	56,881	156,673
Interest payable on deposit	218,135	47,126
Interest paid	(2,012,799)	(864,904)

(i) Right of use assets

In thousands of naira	31-Dec-2025	31-Dec-2024
Balance at beginning of the year (see note 19)	751,552	573,792
Payment for properties leased during the year	242,093	66,574
Depreciation (see note 19)	139,094	111,186
Balance at year end (see note 19)	1,132,739	751,552

35 Fees for non-audit services

KPMG Professional Services rendered the following non-audit services to the Bank:

Service description *In thousands of naira*	31-Dec-2025	31-Dec-2024
Tax consultancy - Recurring	4,500	4,500
Transfer Pricing	800	800
Corporate social responsibility compliance	500	500
Data protection	2,000	2,000
Whistle blowing services	1,000	1,000
NDIC certification audit	1,500	1,000
Certitification of Management assessment of ICFR	5,125	4,500
	15,425	**14,300**

OTHER NATIONAL DISCLOSURES:
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 December, 2025

	31-Dec-2025		31-Dec-2025	
	₦000	%	₦000	%
Gross earnings	11,578,250		7,649,218	
Net impairment loss on financial instruments	(546,470)		(287,766)	
	11,031,780		7,361,452	
Bought-in-materials and services - local	(2,774,405)		(2,266,565)	
Value added	**8,257,375**	**100**	**5,094,887**	**100**
Distribution of value added:				
To employees				
- As salaries and other benefits	3,923,441	48	2,924,762	57
To providers of finance				
- As interests	2,084,016	25	1,003,975	20
To the Government				
- As taxes	794,414	10	224,621	4
Retained in the business				
- Asset replacement (depreciation and amortisation)	428,497	5	365,901	7
- Profit to augment reserves	1,027,007	13	575,628	12
Value added	**8,257,375**	**101**	**5,094,887**	**100**

This statement represents the distribution of the wealth created with the Bank's assets through its own and its employees'

OTHER NATIONAL DISCLOSURES:
FIVE YEARS FINANCIAL SUMMARY

In thousands of naira	Note	31-Dec-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Cash and cash equivalents	16	2,873,823	961,627	880,899	689,666	1,346,942
Loans and advances to customers	17	23,727,425	16,015,139	11,686,796	12,437,621	11,674,684
Investment securities	18	551,928	352,044	289,925	275,966	268,929
Other assets	21	1,033,006	863,272	632,715	559,641	482,060
Property and equipment	19	862,780	776,823	781,045	897,370	904,747
Right of Use	19	214,462	111,463	156,075	61,198	
Intangible asset	20	280,972	338,144	437,524	260,361	42,535
Deferred tax asset	15(c)	-	-	-	-	-
TOTAL ASSETS		**29,544,396**	**19,418,512**	**14,864,979**	**15,181,823**	**14,719,897**
LIABILITIES						
Deposits from customers	22	11,270,251	6,413,333	4,303,970	4,540,983	3,810,250
Current tax liabilities	15(b)	934,076	240,892	226,813	684,681	483,417
Borrowings	23	8,245,259	4,446,841	1,924,932	2,087,354	3,687,058
Other liabilities	24	1,291,479	1,129,013	1,622,738	1,080,475	757,605
Deferred tax liabilities	15(c)	35,798	85,684	17,923	30,124	45,183
TOTAL LIABILITIES		**21,776,863**	**12,315,763**	**8,096,376**	**8,423,617**	**8,783,513**
CAPITAL AND RESERVES						
Share capital	&	1,205,834	1,205,834	1,205,834	1,240,000	1,207,409
Share premium	26(a)	8,138	8,138	8,138	8,138	8,138
General Reserve	2627	4,043,835	3,352,706	3,118,830	3,161,090	2,686,977
Statutory reserve	(b)	1,990,447	1,862,071	1,790,117	1,731,722	1,602,883
Regulatory risk reserve	(c)	519,279	674,000	645,684	617,256	430,977
TOTAL EQUITY		**7,767,533**	**7,102,749**	**6,768,603**	**6,758,206**	**5,936,384**
TOTAL LIABILITIES AND EQUITY		**29,544,396**	**19,418,512**	**14,864,979**	**15,181,823**	**14,719,897**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31-Dec-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021
Gross income		11,578,250	7,649,218	6,168,843	6,955,210	5,546,127
Profit before taxation		1,821,421	800,249	503,583	1,550,127	1,066,923
Profit after taxation		1,027,007	575,628	467,156	1,030,713	570,857
Basic and diluted earnings per share (kobo)	32	85	48	39	83	47
Net assets per share (kobo)		644	589	561	545	492

Anthony
154 Ikorodu Road, Onipanu, Lagos.

Oke Arin
20 Ijaye Street, Oke Arin, Lagos.

Agege
223 Old Abeokuta Road, Agege, Lagos.

Alaba
27/28 Ojo-Igbede Rd, Alaba International , Lagos.

Ikeja
5 Oba Akran, Ikeja, Lagos.

Oshodi
20, Oshodi Road, Oshodi, Lagos.

Ladipo
93 Ladipo Street, Mushin, Lagos.

Ikorodu
62 Owolowo Street, 1st floor, Ikorodu, Lagos.

Idi oro
175, Agege Motor Road, Olosha B/S Mushin, Lagos

Ojodu
Plot 898a Isheri Road Ojodu, Lagos.

Idumagbo
19 Idumagbo Avenue, 1st floor, Lagos.

Ajah
XYZ Plaza Ground floor, No 1 Kazeem Oyofo Close, Thomas Estate, Ajah, Lagos.

BBA Trade Fair
Dominion plaza, New BBA Aspanda road.

Oyingbo
209, Bornu way, off ladipo street, Ebute meta, Lagos.

Ikorodu Agric
92c Isawo Road, Agric Ikorodu, Lagos.

Aguda Surulere
16 Kushimo Street, aguda Surulere, 1st floor (opposite MOBIL), Lagos.

Baruwa
154 Ipaja Road, Baruwa, Ipaja, Lagos.

Oke odo
354B, Lagos Abeokuta express way, super bus stop..

Surulere
77 Ojuelegba road.

Bariga
2 Jagunmolu Road Bariga.

Akowonjo
13 Shasha Road, Akowonjo.

Orile
21 Coker Street, Orile (1st and 2nd floor) 400k X2 flats.

Ejigbo
91, Ikotun Ejigbo Road, 1st Floor(above sweet sensation)

Obalende
31 Moloney Street, Obalende, Lagos.

Festac
House 30, 2nd Avenue, Festac town.

Isolo
32, Ire Akari Estate Road, Isolo

Ketu
5365, Ikorodu Road, Iyana School bus stop, Ketu.

Boundary
62 Bale Street, Boundary, Ajegunle, Lagos.

Sango Ota
46 Ijoko Road, Ota Ogun State.

Akute, Alagbole
89 Ojodu- Akute Road, Alagbole, Ogun State.

Sapon, Abeokuta SOKENU ROAD, OKE IJEUN/SAPON, ABEOKUTA.

Dugbe
22 Adekunle Fajuyi Road, Dugbe (opposite MKO Abiola House).

Iwo Road, Ibadan
1 Abayomi Street, adjacent Ecobank Building, Iwo Road Ibadan.

Molete, Ibadan
WIMBO Building,
61 Molete Road Opposite Molete Baptist Church, Idi Odo, Challenge, Ibadan, Oyo State.

Rumuomasi
No. 6, Market Road, Rumuomasi,Portharcourt, Rivers State.

Rumuokoro
16 East/West Road, Opposite Rumuokoro Motor Park, Rumuodomaya, Port Harcourt, Rivers State.

Ikwerre
142, Ikwerre Road, Portharcourt, River state.

Onitsha Main Market
28 Francis Street, Main Market, Onitsha.

Nkpor
14 Ajuluchukwu Street, Nkpor Onitsha.

Nnewi
9 OGBUFOR ROAD, NKWO MARKET, NNEWI.

Uyo
22 Ikot Ekpene Road, Uyo.

Ariaria (new location)
100 faulks road, in front of Ikonne Place, Aba, Abia

Asaba
OGBOGONOGO MODERN MARKET, NNEBISI ROAD, ASABA, DELTA STATEEX_ SKYE BANK PROPERTY.

Sakponba
24 Sakponba Road, Benin.

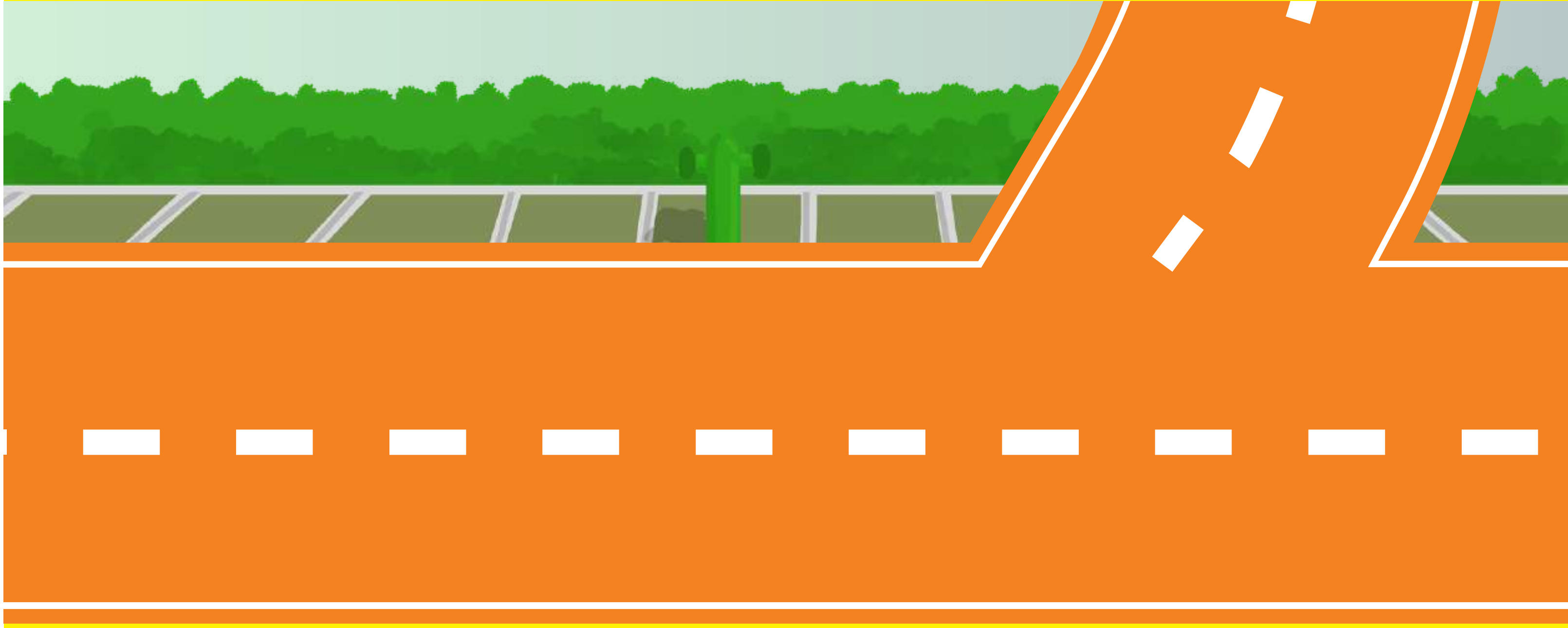
Kano
32 France Road, Sabon Gari, Kano.

Kaduna
24 Fatima Plaza Along Kastina Road, Kaduna.

Nyanya
Uche Tex Link Ventures Plaza Beside First Bank Opposite Building Material Market Maraba.

Akure
19 Ilemo Street Off Arakale Road, Oja Oba Market area, Akure, Ondo State. (ground floor).

Kubwa
C35A Gado Nasko Road, Beside Mouka Foam Depot, Along Xenith Bank Road, Kubwa Abuja.



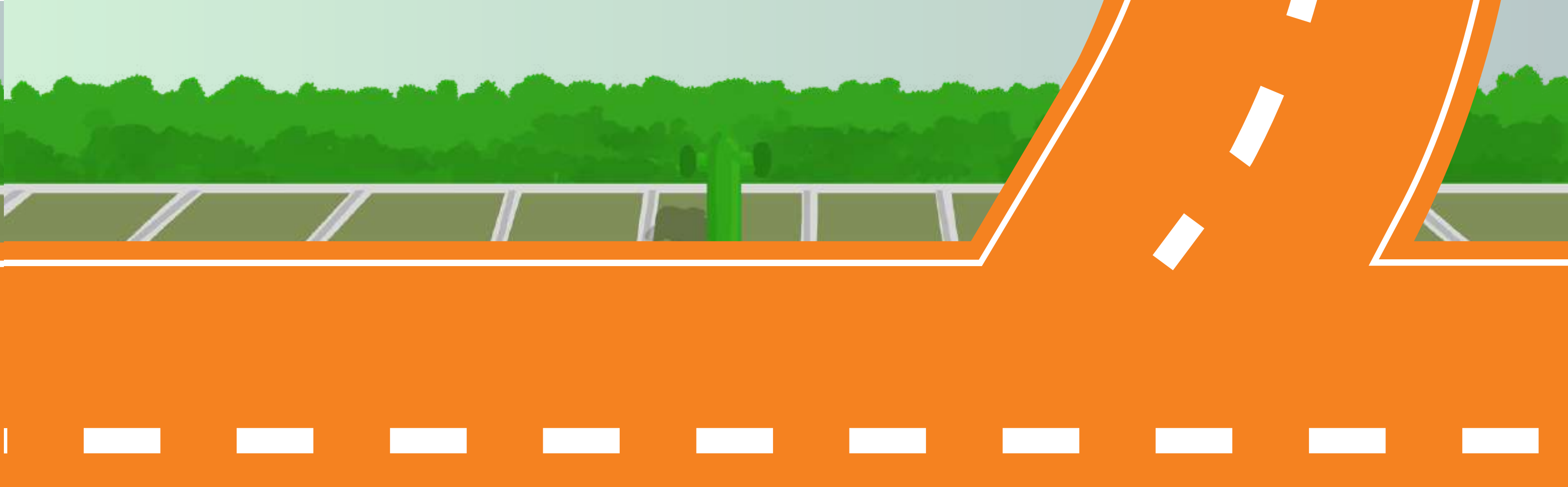
Ilorin
No, 214, Abdulazeez Attah Road Baboko area, Ilorin Kwara State.

Hadeija
No, 260, Hadeija Road Kano.

Ikotun
22, Ikotun Idimu Road, Ikotun, Lagos.

Oju Ore
No 11, Iganmode road, Oju Ore, Ogun state.

Ogijo
Opeyemi Steel, Olayeye Ayobami Ayodeji's House, Sagamu / Ikorodu Road, Ogijo Community



CASH CENTRES

Epe
Ad Kamson Shopping Complex, Lagos Road, Epe.

Command
BETA SILVER PETROL STATION, COMMAND, IPAJA, LAGOS STATE.

Igando
No 1 Akesan- Egan road Igando

Kola
748 Lagos Abeokuta Expressway, Agbado (Moshalashi Bus Stop).

Badagry
Opeyemi food building, Manogere bus stop, market road.

Igbogbo
REMDAMSON FILLING STATION, BAIYEKU ROAD,IGBOGBO, IKORODU

Ijede
Fomon Filling Station, Elepe Bus Stop, Ijede, Ikorodu.

Ifo
Lagos-Abeokuta Expressway, Beside LAWRET Filling Station, Coker Bus Stop, Ifo, Ogun State.

Mowe
65 Ofada Road, Ire Akari, MFM Bus Stop, Mowe.

Slaughter
Plot 6C, Trans Amadi Industrial Layout, Ogeneg-ba, opposite West African Glass industry, Port Harcourt, River state.

Rivers OYG-Oyigbo
285 Old Aba Road, Oyigbo Rivers State

Obosi
First floor, Lord-Wish plaza,International Market, Obosi, Anambra.

Ochanja
67, Ameobi Street. Ochanja Market, Anambra, State.

Head Bridge
JC Udeh plaza, Electronicsmarket, Along Onitsha - Asaba expresswayRivers.

Itam Uyo 1
Enen Afaha Street off Ikot Ekpene Road, Uyo, Akaw Ibom.

Bakassi
Bakassi Market, Osisioma Ngwa LGA, Abia state.

Cemetery
11B. Cemetery road, Aba, Abia State.

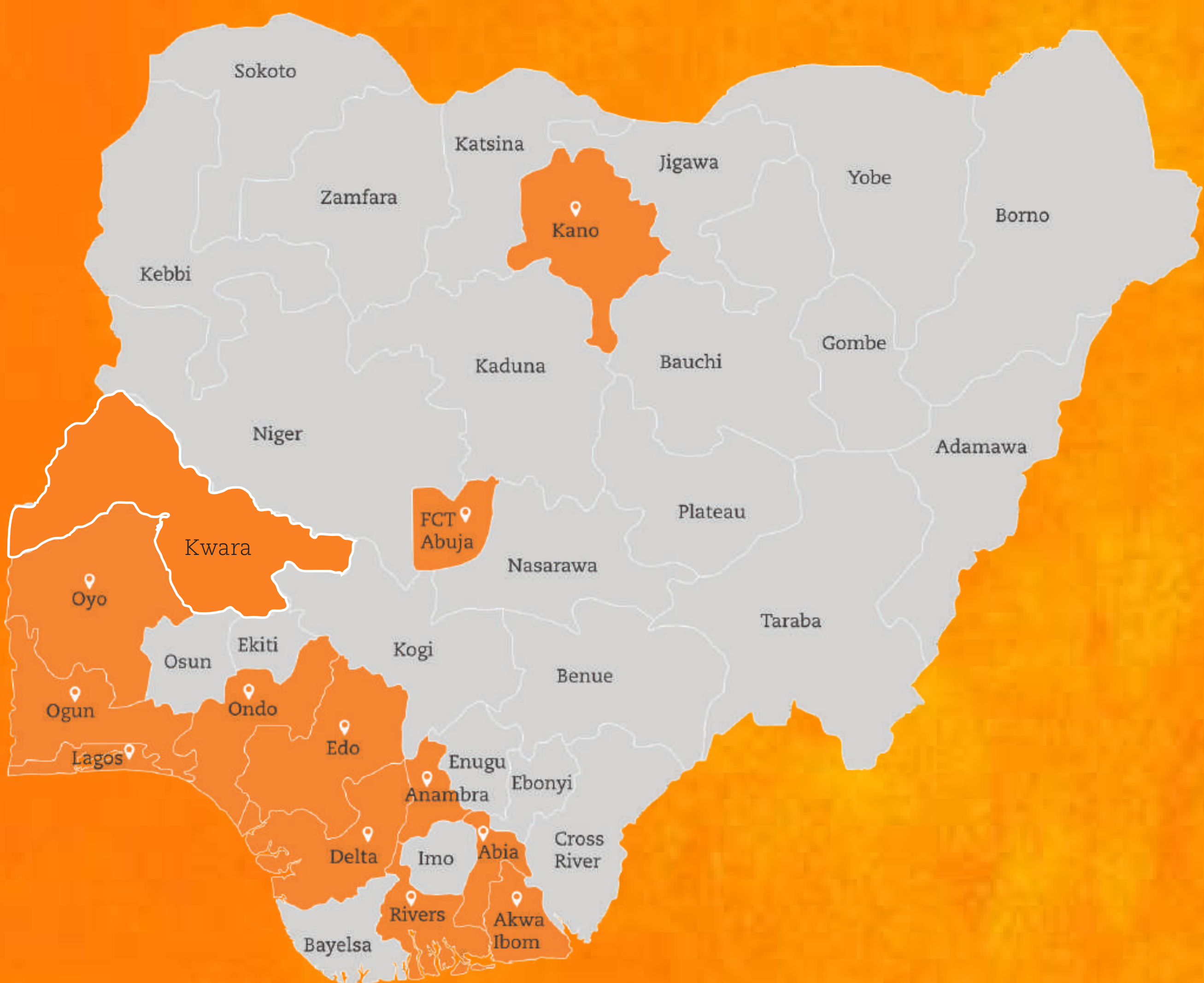
Uselu
135 USELU - LAGOS ROAD, USELU, BENIN, EDO STATE.

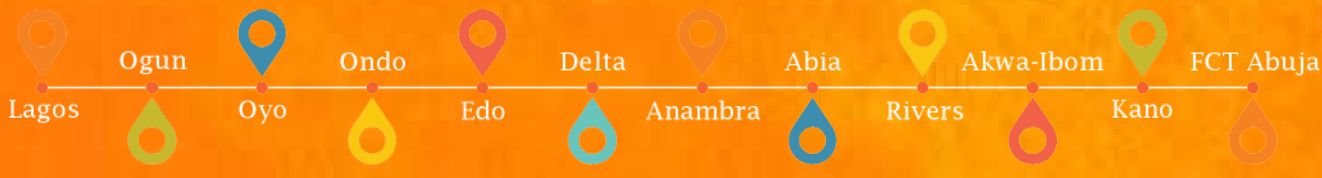
Ondo Town
Ebijoh plaza, behind total filling station, yaba ondo State.

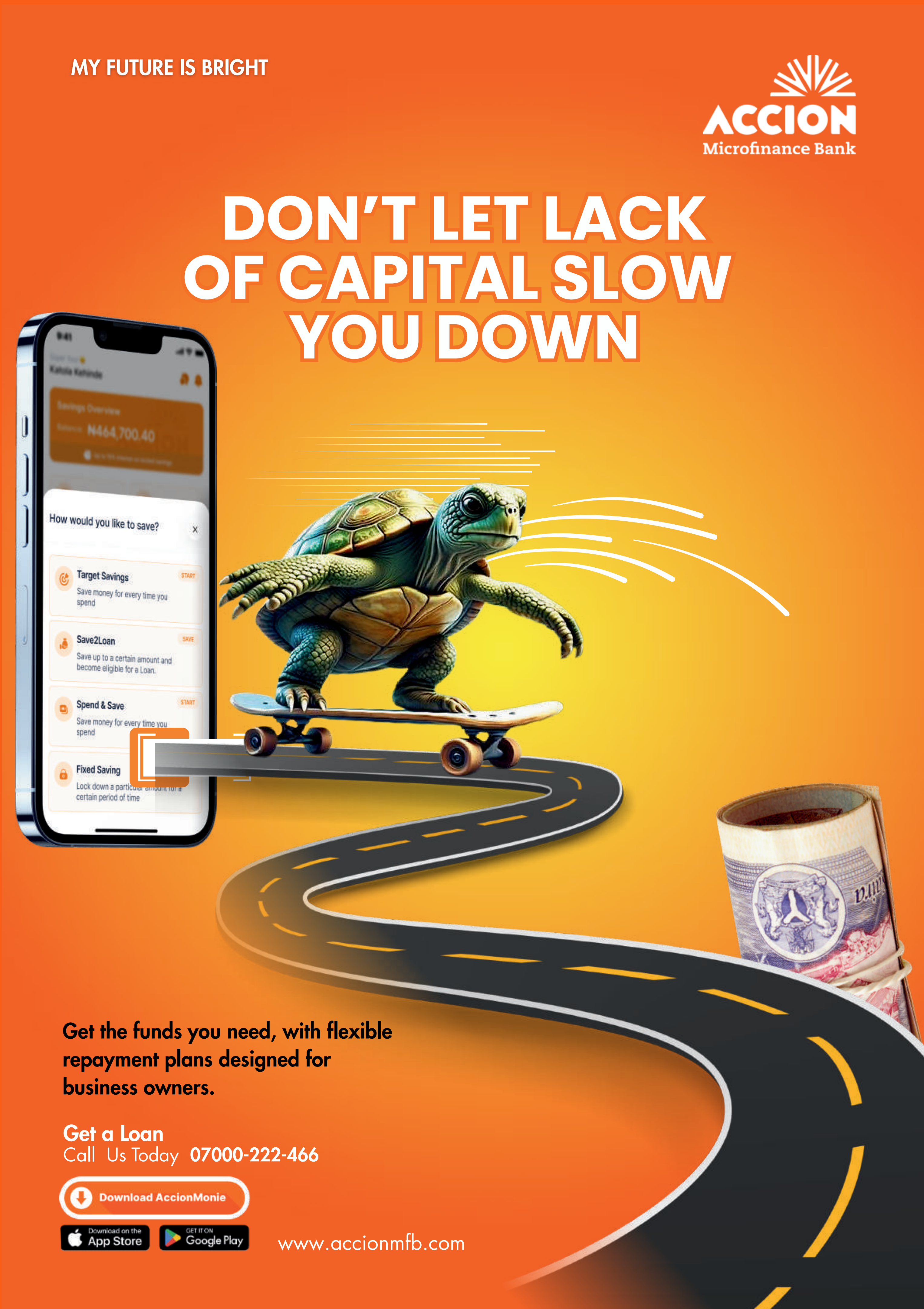
BRANCH EXPANSION IN PROGRESS

- ABUJA
- ADAMAWA
- IMO
- ENUGU

Geographical Spread






MY FUTURE IS BRIGHT
ACCION
Microfinance Bank
DON'T LET LACK OF CAPITAL SLOW YOU DOWN
How would you like to save?
Target Savings
Save money for every time you spend
Save2Loan
Save up to a certain amount and become eligible for a Loan.
Spend & Save
Save money for every time you spend
Fixed Saving
Get the funds you need, with flexible repayment plans designed for business owners.
Get a Loan
Call Us Today 07000-222-466
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www.accionmfb.com

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To download the ecopy of the 2025 Annual Report

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