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CORPORATE RATING REPORT

ACCION MICROFINANCE BANK LIMITED

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Lagos, Nigeria
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May, 2026

ACCION MICROFINANCE BANK LTD

Long-Term Rating:

A

Short Term Rating: A2
Previous Rating: A-
Rating Outlook: Stable
Trend: UP
Currency: Naira
Date Issued: 21 May, 2026
Valid Till: 20 May, 2027

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju.
Oladele Adeoye.

This report is provided by DataPro subject to the Terms & Conditions stipulated in our Terms of Engagement

EXECUTIVE SUMMARY

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Gross Earnings	11,578,250	7,649,218	6,168,843	6,955,210	5,546,127
Profit Before Tax	1,821,421	800,249	503,583	1,550,127	1,066,923
Shareholders' Funds	7,767,533	7,102,749	6,768,603	6,758,206	5,936,384
Deposit Liabilities	11,270,251	6,413,333	4,303,970	4,540,983	3,810,250
Loans & Advances	23,727,425	16,015,139	11,686,796	12,437,621	11,674,684
Total Assets	29,544,396	19,418,512	14,864,979	15,181,823	14,719,897

Rating Explanation

The Short-Term Rating of **A2** indicates ***Fair Credit Quality*** and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of ***A*** indicates ***Low Risk***. It shows very good Financial Strength, Operating Performance and Business Profile when compared to the standard established by ***DataPro***. This Bank, in our opinion, has strong ability to meet its ongoing obligations.

RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information were obtained from the Bank's Audited and Management Accounts.

The risk factors were assessed using the Bank's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

Positive Rating Factors

- Good Revenue Portfolio
- Experienced Board and Management Team
- High Quality Shareholders

Negative Rating Factors

- Sectoral Concentration Risk

This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.

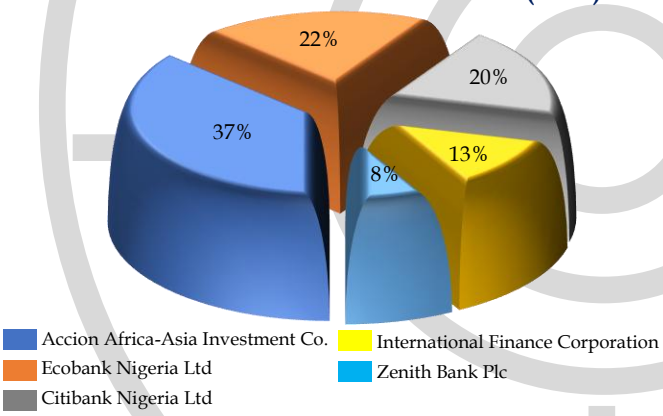
BACKGROUND

Accion Microfinance Bank Limited ("the Bank") was incorporated on 20th May, 2006. It obtained approval from the ***Central Bank of Nigeria (CBN)*** to operate as a Microfinance Bank on 20th April, 2007 and commenced operations on 7th May, 2007. In December, 2014, it was granted a National License, enabling it to expand its operations across Nigeria.

The Bank mobilizes deposits from Individuals, Groups and Corporate Organizations. It offers a broad suite of financial services, including Savings and Loan Products, as well as financial literacy programs, primarily tailored to Micro, Small and Medium Enterprises (MSMEs) and low-income segments.

The product offerings include: Loans ***(Paygo, My SME Education Loan, My SME Capital Loan, My Asset Loan, PLWD Loan, My Agent Loan, My Own Home, School Fees Loan, Solar Loan, Top Up Loan*** and ***Renewal Loan)*** and Savings ***(Save Brighta, Accion Star, Brighta Purse, Brighta Future*** and ***Brighta Investor.*** The Bank also provides business support services, including Agent POS, Merchant POS, bill payment solutions and other related services.

SHAREHOLDING STRUCTURE (2024)



Source: *Accion Microfinance Bank Ltd.*

The Bank maintains a nationwide footprint across 14 States, supported by a network of 75 branches, with its head office located in Lagos State. It has a customer base of approximately 338,450, serviced by a workforce of 819 employees.

The Bank's Shareholders include the following Institutional Investors: ***Accion Africa-Asia Investment Company, Ecobank Nigeria Limited, Citibank Nigeria Limited, International Finance Corporation*** and ***Zenith Bank Plc.***

KEY FINANCIAL INDICATORS

Item / Year	Gross Earnings ₦'000	PBT ₦'000	Equity ₦'000	Deposit Liabilities ₦'000	Loan & Advances ₦'000	Total Assets ₦'000
2025	11,578,250	1,821,421	7,767,533	11,270,251	23,727,425	29,544,396
2024	7,649,218	800,249	7,102,749	6,413,333	16,015,139	19,418,512
2023	6,168,843	503,583	6,768,603	4,303,970	11,686,796	14,864,979
2022	6,955,210	1,550,127	6,758,206	4,540,983	12,437,621	15,181,823
2021	5,546,127	1,066,923	5,936,384	3,810,250	11,674,684	14,719,897

Source: *Accion Microfinance Bank Ltd.*

The Bank recorded strong financial performance in 2025, achieving broad-based growth across all key financial indicators. This performance was largely driven by a notable increase in Deposit and Equity funding in the reviewed year.

Shareholders' Funds rose by 9% from ₦7.1b (Yr. 24) to ₦7.8b (Yr. 25), supported by Retained Earnings. This currently meets the CBN's required minimum capital of ₦5b for National Microfinance Banks. Deposit Liabilities remained the Bank's major funding source, accounting for approximately 52% of Total Liabilities and funding 38% of Total Assets. Other major funding sources in the year included Borrowings of ₦8.2b (Yr. 25).

Total Assets expanded significantly by 52%, increasing from ₦19.4b to ₦29.5b. This is largely influenced by growth in Loans and Advances as well as Cash & Cash Equivalents.

This upward trajectory was sustained into 2026, with Shareholders' Funds and Deposit Liabilities further increasing to ₦8.5b and ₦12.3b, respectively, as at 31st March 2026. The strengthened funding base supported continued expansion in the Bank's lending activities, with Gross Loans and Advances increasing by 26% from ₦18.3b in the year 2025 to ₦23.1b as at March, 2026.

DIRECTORS PROFILE

The following persons served on the Board during the reporting period; ***Christian Ruehmer*** – *Chairman*; ***Taiwo Joda*** – *Managing Director/CEO*; ***Prof. Olayinka David-West; Mark Adogah; Gift Mahubo; Edwin Igwebuike Ogbogu; Alhaji Yusufu Modibbo, Joy Ojakovo*** and ***Dr. Adeola Ogunyemi.***

The profile of the Bank Directors is as stated:

1. **Name:** Christian Ruehmer
   Position: Chairman
   Profession: Risk Management and Treasury Expert
   Experience (Years): Over 25 years
   Previous Job Experience:
   - Senior Risk Manager and Banker
   - Accion Africa-Asia Investment Company

2. **Name:** Taiwo Joda
   Position: Managing Director/CEO
   Profession: Experienced Banker
   Experience (Years): Over 25 years
   Education/Professional Qualification:
   - B.Sc. – the University of Lagos
   - M.Sc. - the University of Lagos
   - Said Business School, Oxford University
   - the Chartered Institute of Bankers (FCIB)

	• Member, the Institute of Management (NIM) • Lagos Business School, Nigeria • INSEAD Business School, France
Previous Job Experience:	• Accion Microfinance Bank Ltd.
Year of Board Membership:	Since 2018

3. **Name:**	Prof. Olayinka David-West
Position:	Independent Non-Executive Director
Profession:	IT & Financial Services Professional
Experience (Years):	Over 30 years
Education/Professional Qualification:	• M.Sc. – City University, London • PhD. (DBA) – Manchester Business School
Previous Job Experience:	• the Sustainable and Inclusive Digital Financial Services (SIDFS) initiative • Academic Director of the Enterprise Development Centre (EDC) • Dean at the Lagos Business School (LBS)

4. **Name:**	Mark Adogah
Position:	Non-Executive Director
Profession:	Banking Professional
Experience (Years):	Over 23 years
Education/Professional Qualification:	• B.Sc. in Accounting • M.Sc. – the University of Exeter, UK • Member, the Chartered Institute of Bankers of Nigeria (CIBN) • Member, the Institute of Chartered Accountants of Nigeria • Fellow, the Association of Chartered Certified Accountants (ACCA)
Previous Job Experience:	• Arthur Andersen (later KPMG) • Zenith Bank Plc • FCMB Capital Markets Limited • the Global Subsidiaries Group of CitiBank Nigeria's Banking, Capital Markets & Advisory (BCMA)

5. **Name:**	Gift Mahubo
Position:	Non-Executive Director
Profession:	Business Strategist
Experience (Years):	Over 25 years
Previous Job Experience:	• Accion International

6. **Name:** Edwin Igwebuike Ogbogu
   Position: Non-Executive Director (Ecobank Representative)
   Profession: Management Consultant
   Previous Job Experience:
   - Ecobank Group
   - Bank T & D Consulting
   - MIH Partners Limited

7. **Name:** Yusufu Aliyu Modibbo
   Position: Independent non-Executive Director
   Profession: Banking, Corporate Finance, Stock Market Operations & Portfolio Management
   Experience (Years): Over 30 years
   Education/Professional Qualification:
   - Fellow, the Chartered Institute of Stockholders of Nigeria

8. **Name:** Joy Ojakovo
   Position: Independent non-Executive Director
   Profession: Professional Accountant
   Previous Job Experience:
   - Progress Trust CPFA Limited

9. **Name:** Dr. Adeola Ogunyemi
   Position: Non-Executive Director
   Experience (Years): Over 17 years
   Education/Professional Qualification:
   - B.Sc.- Lagos State University
   - M.Sc.- University of Liverpool
   - DBA- Walden University

   Previous Job Experience:
   - Guaranty Trust Bank
   - The KRC Limited
   - Manulife Investment Management
   - Ecobank Nigeria

SECTOR REVIEW

Nigeria is one of the leading economies in Africa, with a population exceeding 200 million. In the fourth quarter of 2024, Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the *National Bureau of Statistics (NBS)* recently rebased the Country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019.

In real terms, the economy grew in the fourth quarter of 2025 at a rate higher than the 3.76% recorded in the same quarter of 2024. During this period, the agriculture sector expanded by 4.00%, up from 2.54% in Q4 2024. The industry sector grew by 3.88%, compared with 2.49% in the corresponding quarter of the previous year, while the services sector recorded a growth of 4.15%, slightly down from 4.75% in Q4 2024. The

services sector remained the largest contributor, accounting for 55.92% of total GDP in Q4 2025, marginally higher than 55.87% in Q4 2024. On an annual basis, overall economic growth for 2025 stood at 3.87%, up from 3.38% in 2024.

In real terms, growth in the Finance & Insurance Sector totaled 8.30%, higher by 2.31% from the rate recorded in Q4 2024 and lower by 11.33% from the rate recorded in Q3 2025. Overall, growth stood at 14.54% in the year 2025, as against 2.95% recorded in 2024. The NBS reported that the Sector's contribution to Nigeria's GDP advanced by 15% to ₦6.58 trillion in 2025. The growth was attributed to ongoing reforms and recapitalization exercise directive by the ***CBN*** and the ***National Insurance Commission (NAICOM***).

In alignment with the federal government's initiative to achieve a trillion-dollar economy, the ***Central Bank of Nigeria (CBN)*** has instructed operating Banks in Nigeria to recapitalize. On the 28th of March, 2024, it announced the following upward review of the minimum Capital requirement: Banks with International operations (₦500b); National Licenses (₦200b); Regional licenses (₦50b); National Merchant Banks (₦50b); National (₦20b) and Regional Non-interest Banks (₦10b). In its revised circular dated 7th March, 2019, the ***Central Bank of Nigeria (CBN)*** raised the minimum capital requirement for National Microfinance Banks from ₦2 billion to ₦5 billion.

Despite global market challenges, the ***Nigerian Stock Exchange (NGX)*** All-Share Index posted a robust return of 51.19% in 2025, surpassing the 37.65% gain in 2024. Nigeria's foreign reserves have surpassed $45 billion, enabling the Central Bank to maintain currency stability. As at 20th May 2026, the Naira traded at ₦1,370.12/US$1 in the official market and ₦1,390/US$1 in the parallel market.

At its May 2026 meeting, the Central Bank of Nigeria's ***Monetary Policy Committee (MPC)*** maintained the Monetary Policy Rate (MPR) at 26.5%. Other indices such as: Asymmetric Standing Facility Corridor, Reserve Ratio (CRR) and Liquidity Ratio were also retained at their previous levels. In April 2026, the Headline inflation rate rose to 15.69%, up from 15.38% in March 2026, indicating an increase in the pace of prices across the economy.

A thorough understanding of current macroeconomic trends, coupled with strategic agility in leveraging technology, managing risks and optimizing capital, remains essential for banking institutions to navigate challenges and capitalize on opportunities in Nigeria's evolving financial landscape.

CAPITAL ADEQUACY

Year / Item	2025 ₦'000	2024 ₦'000
Shareholders' Fund	7,767,533	7,102,749
Total Assets	29,544,396	19,418,512
Fixed Assets	862,780	776,823
Loans & Advances	23,727,425	16,015,139
Equity/Total Assets (%)	26.29	36.58
Equity/Loan & Adv. (%)	32.74	44.35
Fixed Assets/Equity (%)	11.11	10.94

Source: *Accion Microfinance Bank Ltd.*

Total Assets expanded by 52% year-on-year, increasing from ₦19.4b (Yr. 24) to ₦29.5b (Yr. 24). This comprised Cash and Cash Equivalents, Right-of-use Assets, Loans & Advances, Investment Securities, Property and Equipment, as well as Intangible Assets. The expansion in Loans and Advances to Customers primarily drove this growth.

Net Loans and Advances recorded 48% increase in the year under review, rising from ₦16.0b (Yr. 24) to ₦23.7b (Yr. 25). The risk profile of the Bank's Assets as reflected in its Loans to Total Assets Ratio was notably high at 80% in the year 2025. However, this is a reduction from the 82% risk profile maintained in the year 2024.

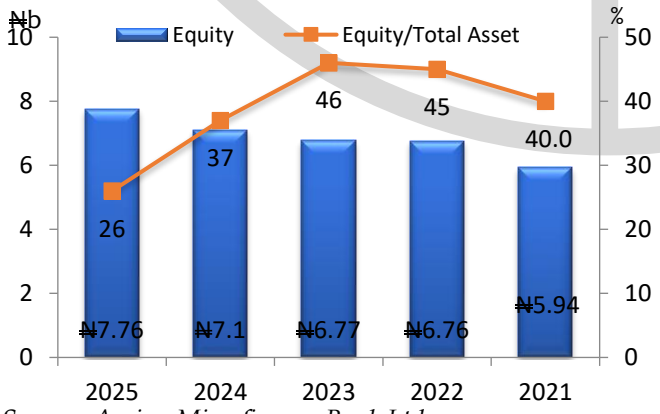
COMPONENT OF TOTAL ASSETS

Year / Item	2025 ₦'000	%	2024 ₦000	%
Liquid Assets	4,107,051	14	2,176,943	11
Loans & Advances	23,727,425	80	16,015,139	83
Fixed Assets	862,780	3	776,823	4
Other Assets	847,140	3	449,607	2
Total Assets	**29,544,396**	**100**	**19,418,512**	**100**

Source: *Accion Microfinance Bank Ltd.*

As at 31st December 2025, the Share Capital and Share Premium remained unchanged at ₦1.2b and ₦8.1m, respectively. A significant increase was however recorded in its General and Statutory Reserves. Regulatory Risk Reserves declined from ₦674.0m (Yr. 24) to approximately ₦519.3m (Yr. 25), owing to the differences in impairment provision in its books.

COMPARISON OF SHAREHOLDERS' FUNDS



Source: *Accion Microfinance Bank Ltd.*

In total, the Bank grew its Shareholders' Funds by 9% to approximately ₦7.8b (Yr. 25), following increased profit retention in the reviewed year. This position was further strengthened to ₦8.5b as at 31st March, 2026.

It also maintained a ***CAR*** of 28% (Yr. 25), higher than the regulatory minimum of 10% prescribed by the CBN.

The increase in the Bank's Asset base was reflected in the proportion of Equity to Total Assets, which dipped from 37% (Yr. 24) to 26% (Yr. 25). This improved marginally to 29% as at 31st March, 2026.

ASSET QUALITY

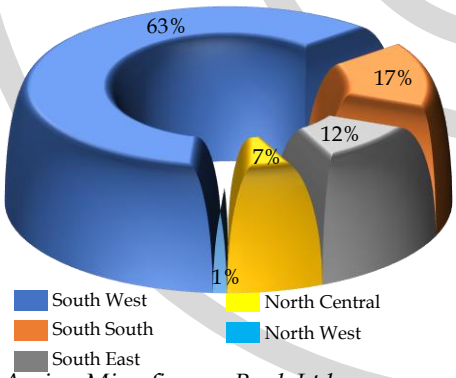
Year Item	2025 ₦'000	2024 ₦'000
Gross Loan & Advances	24,553,241	17,003,162
Classified Loan	1,226,900	1,461,111
Provisions	676,494	836,655
Classified Loans Prov./Classified Loans (%)	55.14	57.26
Classified Loans/Equity (%)	15.80	20.57
Classified Loans/Gross Loans (%)	5.00	8.59

Source: *Accion Microfinance Bank Ltd.*

Gross Loans and Advances recorded a notable increase of 44%, rising from ₦17.0 (Yr. 24) to about ₦24.6b (Yr. 25). Loans were mainly distributed to Micro, Small and Medium Enterprises (MSMEs).

The Bank's main credit exposure, categorized by geographical region shows that Loans extended to the South-West region constituted 63% of the Portfolio.

DISTRIBUTION OF LOAN PORTFOLIO BY GEOGRAPHY (2025)



Source*: Accion Microfinance Bank Ltd.*

The Bank's lending activity focused on the provision of trade finance lines and other facilities to obligors across eight (8) major sectors. As at the year under review, the Trade and Commerce sector constituted the bulk of the Bank's Total Loan exposure at 72%. Approximately, 10% of the total Loan portfolio was extended to obligors in the Manufacturing and Food Processing sector.

Other sectors with significant credit exposures included Accion Staff, Agriculture & Forestry, Education, Health, Real Estate & Construction, as well as Transportation and Communication Sectors.

Loans and Advances were denominated in Local Currency in the year under review. Loans were secured against a mix of Vehicle, Land, Building and Truck. In the reviewed year, the Bank achieved 40% collateralization of its exposure, lower than 45% recorded in the preceding year.

The Bank's Classified Loan portfolio decreased by approximately 16%, falling from approximately ₦1.5b in 2024 to ₦1.2b in 2025. This accounted for 5% (Yr. 25) of the Total Loan Book, down from 9% in the prior year.

LIQUIDITY

Year Item	2025	2024
Loan & Advances/Total Assets (%)	80.31	82.47
Liquid Assets/Total Assets (%)	13.90	9.36
Liquid Assets/Total Deposits (%)	36.44	28.35
Loans & Advances/Total Deposits (%)	210.53	249.72
Liquid Assets/Total Liability	18.86	14.76

Source: *Accion Microfinance Bank Ltd.*

As at 31 December 2025, Deposit Liabilities grew significantly from ₦6.4b (Yr. 24) to approximately ₦11.3b. This reflected a 76% rise over the amount recorded in the preceding year. These Deposits were mobilized from Medium Sized Corporates, Financial Institutions and High Net worth Individuals.

Account Type	2025 ₦'000	%	2024 ₦'000	%
Current Deposits	2,761,823	25	2,045,595	32
Savings Deposits	3,840,146	34	2,767,512	43
Term Deposits	4,621,780	41	1,599,461	25
Sundry Deposits	46,502	-	765	-
Total	**11,270,251**	**100**	**6,413,333**	**100**

Source: *Accion Microfinance Bank Ltd.*

Term Deposits was the most significant component, amounting to ₦4.6b and accounting for 41% of Total Deposits in the year 2025. Current and Savings Accounts represented 25% and 34% of the portfolio, respectively. Aggregately, Deposit Liabilities funded 38% of Total Assets in the year 2025.

ANALYSIS OF DEPOSIT BASED ON MATURITY

Months	2025 ₦'000	%
Up to 3 Months	11,187,368	92
3 – 6 Months	886,658	7
6 – 12 Months	91,672	1
Over 1 Year	-	
Gross Total	**12,165,697**	**100**

Source: *Accion Microfinance Bank Ltd.*

Deposits were 100% short-term tenured in the reviewed year. The portion of the Deposits set to mature within 3 months was approximately ₦11.2b, accounting for 92% of the total. The remaining portion was set to mature between 3 and 12 months.

ANALYSIS OF LOANS AND ADVANCES BASED ON MATURITY

Months	2025 ₦'000	%
Up to 3 Months	9,136,321	35
3 – 6 Months	8,239,272	31
6 – 12 Months	7,363,585	28
Over 1 Year	1,472,717	6
Total	**26,211,895**	**100**

Source: *Accion Microfinance Bank Ltd.*

In contrast, the Bank's Loans included a mix of short and long term maturity periods. Deposits maturing within 3 months amounted to ₦9.1b, representing 35% of the Total Deposits. Deposits with maturities between 3 and 6 months represented 31%, while those maturing between 6 and 12 months represented 28%. The balance of ₦1.5b, representing 6% of the Deposits, had maturities exceeding one year.

LIQUIDITY GAP ANALYSIS (2025)

Year	2025 Loans & Advances ₦'000	2025 Deposit Liabilities ₦'000	Net Liquidity Gap ₦'000
Liquid Assets	4,107,051	-	4,107,051
Up to 3 Months	9,136,321	11,187,368	2,056,004
3 – 6 Months	8,239,272	886,658	9,408,618
6 – 12 Months	7,363,585	91,672	16,680,531
Over 1 Year	1,472,717	-	18,153,248

Source: *Accion Microfinance Bank Ltd.*

As at 31 December 2025, the Bank's Liquid Assets stood at ₦4.1b, representing 14% of Total Assets. This comprised Cash and Cash Equivalents, Receivables and Investment Securities.

As at the year-end 2025, the Bank recorded a short-term liquidity surplus of approximately ₦16.7b, reflecting the adequacy of its Liquid Assets in providing buffer against Deposits. In the long-term, a liquidity surplus of approximately ₦18.2b was recorded.

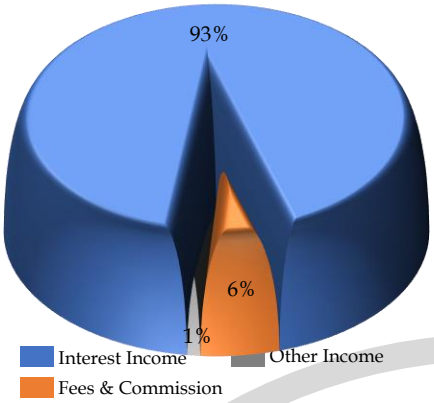
Loans and Advances were significantly higher than Deposits. Thus, Loan to Deposit Ratio stood at 211% (Yr. 25), a decline from 250% recorded in the prior year. This is significantly above the benchmark of 50% in the year under review. The Bank also maintained a Statutory Liquidity Ratio of 30.4% (Yr. 25) which is above the CBN's minimum Liquidity Ratio of 20%.

PROFITABILITY

Gross Earnings maintained an upward trajectory, reaching approximately ₦11.6b in the year 2025. Revenue was recorded from both Interest and Non-Interest sources in the year.

Interest Income was earned on Loan and Advances to Customers, Treasury Bill and Money Market Placements. It constituted 93% of the Gross Revenue, recording a substantial growth of 51% from ₦6.9b (Yr. 24) to approximately ₦10.8b (Yr. 25).

COMPOSITION OF GROSS EARNINGS



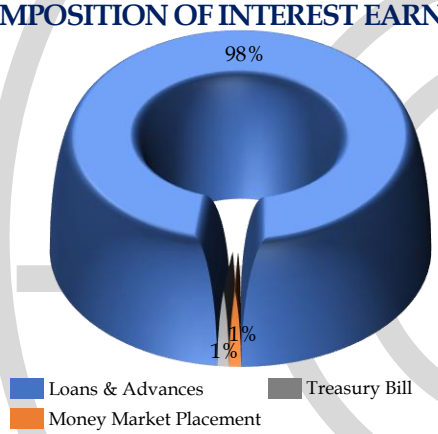
***Source**: Accion Microfinance Bank Ltd.*

Interest Expense also spiked to approximately ₦2.1b (Yr. 25), largely on account of the growth in Deposits and Borrowings. Net Interest Income amounted to approximately ₦8.7b (Yr. 25), 46% higher than the prior year.

Consequently, Net Interest Margin dropped from 86% (Yr. 24) to 81% (Yr. 25), reflecting higher growth in Expense as against Income.

The Bank also recorded Non-Interest Income comprising Fees and Commission. In absolute terms, this amounted to ₦653.8m (Yr. 25), contributing 6% of the Total Earnings in the year under review.

COMPOSITION OF INTEREST EARNINGS (2025)

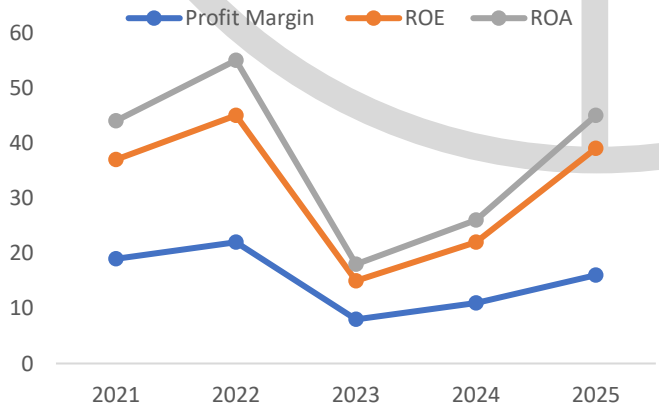


***Source**: Accion Microfinance Bank Ltd.*

Other Income included Service Fees and Charges, Miscellaneous Income, Profit on Disposals, Letting Income and Cash Recovery of Loan Written Off. These totaled ₦167.3m (Yr. 25), lower than ₦268.3m recorded in the prior year.

The Bank recorded Expected Credit Loss on its Financial Assets in the reviewed year. These losses amounted to approximately ₦546.5m (Yr. 25), 90% higher than the Losses recorded in the prior year.

PROFITABILITY INDICES



***Source**: Accion Microfinance Bank Ltd.*

Operating Expenses included Personnel Expenses, Depreciation and Amortization, amongst others. It stood at ₦7.1b (Yr. 25), 28% higher than the prior year.

Following the moderation in Expenses incurred on operations in the year 2025, Pre-Tax Profit recorded a significant increase of 128%, rising from ₦800.2m (Yr. 24) to ₦1.8b (Yr. 25). Consequently, Net Profit Margin increased from 10% (Yr. 24) to 16% (Yr. 25).

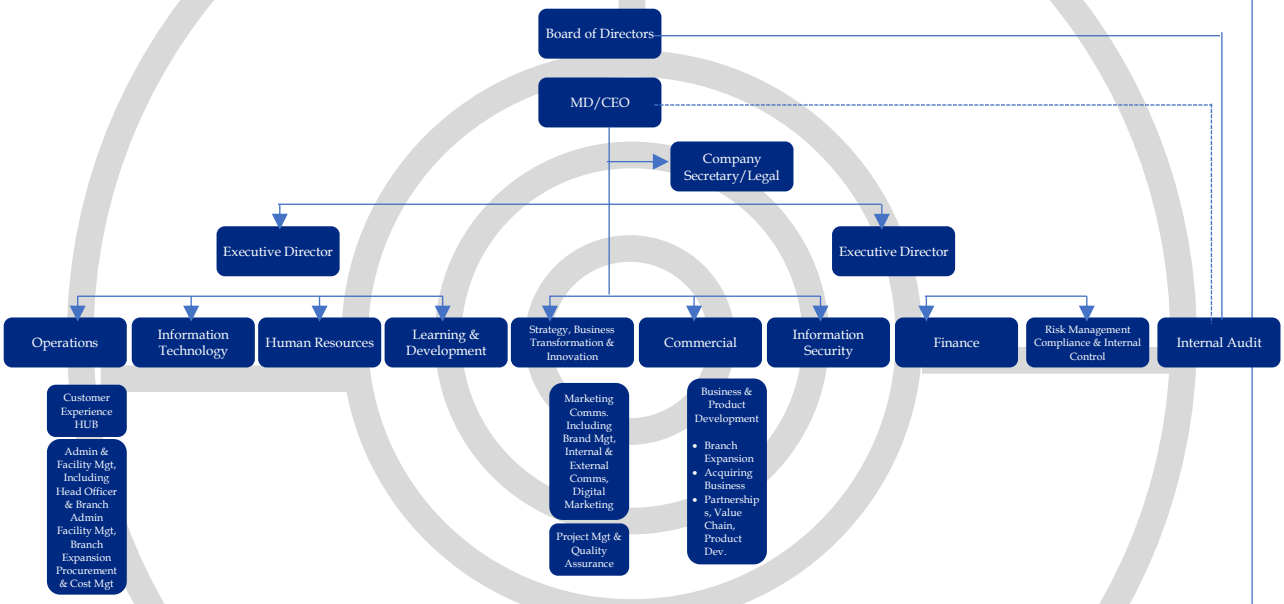
CORPORATE GOVERNANCE & RISK MANAGEMENT

The affairs of the Bank are directed by a Board comprised nine (9) members which included the Managing Director/CEO and eight (8) Non-Executives Directors.

The Board holds the ultimate responsibility for establishing and overseeing the Bank's risk management framework. It discharges this responsibility through the ***Asset and Liability Management Committee (ALCO)***, who is responsible for approving and monitoring the Bank's risk management policies.

The Organizational Structure of the Bank is as presented:

CORPORATE ORGANOGRAM



Source: *Accion Microfinance Bank Ltd.*

The Bank's Enterprise Risk Management Framework is structured along a 'three – level governance and three lines of defense model. The first comprise the Business/Support Units with respect to Operational Risk Management. The second line of defense is charged with the oversight over business processes and risks while the third line of defense (Internal Audit) provides independent assurance to the Board on the effective implementation of the risk management framework and validates the overall risk management process.

RISK GOVERNANCE FRAMEWORK



***Source**: Accion Microfinance Bank Ltd.*

RISK FACTORS

In the course of our review of the Bank's documents, we considered the following risk factors:

- **LIQUIDITY RISK**

This is the risk arising from the inability to meet obligations as they fall due.

Based on our review, the Bank achieved a Statutory Liquidity Ratio of 30.4% (Yr. 25), which is above the Regulatory threshold for Microfinance Banks.

- **REGULATORY RISK**

This is the risk arising from inability of the Bank to operate with the required amount of Capital or the regulatory ***Capital Adequacy Ratio***.

In line with ***CBN*** requirements, Microfinance Banks are mandated to maintain a ***Capital Adequacy Ratio*** of 10%. As at the year-end 2025, the Bank's CAR was 28%. As at 31st December, 2025, the Bank recorded a total Shareholders' Fund of ₦7.8b, which is above the required minimum capital requirement of ₦5b for National Microfinance Banks in Nigeria.

- **CONCENTRATION RISK**

This is the risk of loss to income as a result of significant exposure to an individual, connected entity or a particular sector.

Based on our review, the Bank is significantly exposed to the Trade & Commerce Sector. This Sector constituted 72% of the Bank's Loan Portfolio in the year 2025.

CONCLUSION

We have reviewed the documents presented by the Bank. The Rating is supported by its Good Revenue Profile, Experienced Board and Management Team as well as the high quality of its Shareholders.

Consequently, we assigned a Rating of *"A"*.

FINANCES

Financial Position as at

	Dec, 2025 ₦'000	Δ%	Dec, 2024 ₦'000	Δ%	Dec, 2023 ₦'000
ASSETS					
Cash & Cash Equivalents	2,873,823	198.85	961,627	9.16	880,899
Loans and advances to customers	23,727,425	48.16	16,015,139	37.04	11,686,796
Investment securities	551,928	56.78	352,044	21.43	289,925
Risht of use	214,462	92.41	111,463	(28.58)	156,075
Property and equipment	862,780	11.07	776,823	(0.54)	781,045
Intangible assets	280,972	(16.91)	338,144	(22.71)	437,524
Other assets	1,033,006	19.66	863,272	36.44	632,715
Deferred tax asset	-	-	-	-	-
Total Assets	**29,544,396**	52.15	**19,418,512**	30.63	**14,864,979**
Liabilities and Equity					
Liabilities					
Deposit from customers	11,270,251	75.73	6,413,333	49.01	4,303,970
Borrowings	8,245,259	85.42	4,446,841	131.01	1,924,932
Current tax liabilities	934,076	287.76	240,892	6.21	226,813
Deffered tax liabilities	35,798	(58.22)	85,684	378.07	17,923
Other liabilities	1,291,479	14.39	1,129,013	(30.43)	1,622,738
Total Liabilities	**21,776,863**	76.82	**12,315,763**	52.11	**8,096,376**
EQUITY					
Share capital	1,205,834	-	1,205,834	-	1,205,834
Share premuim	8,138	-	8,138	-	8,138
General reserve	4,043,835	20.61	3,352,706	7.50	3,118,830
Statutory reserve	1,990,447	6.89	1,862,071		1,790,117
Regulatory risk reserve	519,279	(22.96)	674,000	4.39	645,684
Total Equity	**7,767,533**	9.36	**7,102,749**	4.94	**6,768,603**
Total Liabilites and Equity	**29,544,396**	52.15	**19,418,512**	30.63	**14,864,979**
Statement of comprehensive					
Gross income	11,578,250	51.37	7,649,218	24.00	6,168,843
Profit before tax	1,821,421	127.61	800,249	58.91	503,583
Profit after tax	1,027,007	78.42	575,628	23.22	467,156
	1,027,007	78.42	575,628	23.22	467,156

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 21st May, 2026

For and on behalf of:
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USER GUIDE

DataPro's credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our ***short-term*** ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or –. With + representing slightly less risk than –. Such suffixes are not added to the 'AAA' long –term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

LONG-TERM RATING

Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	*(Superior)* Assigned to banks which have superior financial strength, operating performances and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	*(Excellent)* Assigned to banks which have excellent financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	*(Very Good)* Assigned to banks which have very good financial strength, operating performance And profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	*(Fair)* Assigned to banks which have fair financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These banks, in our opinion, have an ability to meet their current obligations,

but their financial strength is vulnerable to adverse changes in economic conditions.

Non-Investment Grade

Indicator	Meaning	Explanation
BB	Moderate Risk	*(Marginal)* Assigned to banks which have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	*(Weak)* Assigned to banks which have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited*. These banks, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	*(Poor)* Assigned to banks, which have poor financial strength, operating performance and profile when compared to the standards established *DataPro Limited.* These banks, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	*(Very Poor)* Assigned to banks, which have very poor financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These banks, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added "+" to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.