My Future is Bright

ACCION
Microfinance Bank

Building A Brighter Future

Accion Microfinance Bank Ltd

ANNUAL REPORT 2016

Building Lives, Building Wealth.

ANNIVERSARY 10th

2007 - 2017

Building A Brighter Future

My Future is Bright

ACCION
Microfinance Bank

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Accion Microfinance Bank
Annual Report &
Financial Statements 2016

Nwokorie Kyrian Onyekachi

Dealer in Vegetable & Palm Oils
Customer at our Oyingbo Branch since 2007

" I am pleased with the way Accion Microfinance Bank services me and some members of my group who trade in Palm Oil. I especially like the idea of the customer forum that Accion Microfinance Bank organises for its customers as it helps us get information about the bank and teaches us how to work well with the bank to grow our businesses. Please do not change your ways."

Mission/Vision
Content Page
Corporate Information

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 microfinance and related financial services, at world class standards.

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 customers' 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.

Contents

BOARD OF DIRECTORS

Mr. Patrick Akinwuntan	Chairman
Mr. John Fischer	Vice Chairman
Ms. Bunmi Lawson	Managing Director/ CEO
Mr. David Kruijff	Non - Executive Director
Mr. Akin Dawodu	Non - Executive Director
Dr. Olusegun Aina, OFR	Independent Director
Mrs. Habiba Balogun	Independent Director

MANAGEMENT

Ms. Bunmi Lawson	Managing Director/ CEO
Mrs. Nwanna Joel-Ezeugo	Chief Commercial Officer
Mr. Promise Nwankwo	Chief Finance Officer
Mr. Gift Mahubo	Chief Information Officer
Mr. Stephen Olalere	Chief Operations Officer
Mr. Babatunde Omolere	Head, Risk Control & Compliance
Mr. Robert Magala	Resident Advisor (Regional Expansion)
Mr. Emeka Uzowulu	Head, Product & Business Development
Mr. Waheed Fagbenro	Head, Internal Audit
Mr. Oladapo Famuyide	Resident Advisor (Electronic Channels)

COMPANY SECRETARY

Aluko & Oyebode
1, Murtala Mohammed Drive, Ikoyi, Lagos

CORPORATE HEAD OFFICE

Elizade Plaza, 4th Floor
322A Ikorodu Road
Anthony, Lagos
+234.1.271.9325-6
+234.1.271.9327 fax
Website: www.accionmfb.com
E-mail: info@accionmfb.com

AUDITORS

Akintola Williams Deloitte
Civic Centre Towers
Ozumba Mbadiwe Avenue
Victoria Island, Lagos,
Phone no: 234 1 2717800
Fax no: 234 1 2717801
e-mail: infonigeria@deloitte.com

BANKERS

Zenith Bank Plc
Head Office Branch
Plot 8A, Ajose Adeogun Street
Victoria Island, Lagos.

Guaranty Trust Bank Plc
6, Adeyemo Alakija Street
Victoria Island, Lagos.

Ecobank Nigeria Limited
Oke- Arin Branch
7, Sanusi Olusi Street
Oke-Arin, Lagos.

Stanbic IBTC Bank Plc
(A member of the Standard Bank Group)
77, Ojuelegba Road, Yaba, Lagos.

Citibank Nigeria Limited
27, Kofo Abayomi Street
Victoria Island, Lagos.

OWNERSHIP STRUCTURE

Accion Microfinance Bank prides itself as a unique organization with ownership structure of distinguished, result oriented and service driven international and domestic corporate entities. The shareholding structure of Accion Microfinance Bank is as follows:

- ACCION Investments in Microfinance Nigeria
- Citibank Nigeria Limited
- Ecobank Nigeria Limited
- International Finance Corporation
- Zenith Bank Plc

Abdulsalam Rabiu O.

Dealer in Ceramic Tiles/ Building Materials
Customer at our Oyingbo Branch since 2007.

" I have been a customer at Accion Microfinance Bank for the past 10 years and with their support, I have been highly successful. My business has grown from a modest size to what it is today. I have been able to purchase a truck for my business and ensure that my children are educated. "

Financial Highlights
Milestones
Notice of Annual General Meeting

FINANCIAL HIGHLIGHTS 2016

	2016 N 000	2015 N 000	% change
Statement of Profit or Loss			
Gross earnings	4,013,661	3,358,508	20%
Interest and similar income	3,823,494	3,198,213	20%
Interest expense	(296,611)	(157,999)	88%
Provision for Fx Losses	(295,693)	-	
Fees and other Income	190,167	160,295	19%
Total income	3,421,357	3,200,509	7%
Provision for risk and other assets	(466,762)	(346,106)	35%
Operating expenses	(2,254,476)	(2,015,968)	12%
Profit before taxation	700,120	838,435	-16%
Extra-ordinary item	-	-	
Taxation	(161,900)	(292,492)	-45%
Profit after taxation	538,220	545,943	-1%
Transfer to statutory reserve	134,555	136,486	-1%
Transfer to general reserve	403,665	409,457	-1%
Statement of Financial Position - Highlights			
Cash and Cash equivalents	797,851	756,568	5%
Loans and advances	5,826,119	5,294,462	10%
Financial Investments Held to Maturity	188,539	177,391	6%
Property & Equivalents	286,141	293,912	-3%
Intangible Assets	49,372	24,756	99%
Deposits from customers	2,013,517	2,120,599	-5%
Issued Share capital	1,212,617	1,211,000	0%
Statutory reserve	1,066,900	932,345	14%
General reserve	1,075,515	853,501	26%
Total Assets and Liabilities	7,538,090	6,789,014	11%
Key Indicators			
Per share data (kobo):			
Basic Earnings per share - k	44	45	-2%
Net Asset per share (N)	2.77	2.48	12%
Dividend per Share - k	22.5	15	33%

OUR CUSTOMER'S STORY

Sogbolu Hakeem Olaku

Dealer in Doors, Keys & Building Materials
Customer at our Ladipo Branch since 2007.

" Accion Microfinance Bank's support has been instrumental to my business growth. With their support, I have been able to build a second shop and put a child through the University. "

Aluko & Oyebode

1 Murtala Muhammed Drive
Ikoyi
Lagos
Nigeria

t. +234 (1) 4628360
P.O. Box 2293, Marina, Lagos
ao@aluko-oyebode.com
www.aluko-oyebode.com

ACCION MICROFINANCE BANK LIMITED

NOTICE OF THE ELEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of **ACCION MICROFINANCE BANK LIMITED** will be held at Protea Hotel, 42/44 Isaac John Street, GRA, Ikeja, Lagos on Friday, 26th May, 2017 at 4pm for the transaction of the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the year ended 31st December, 2016 together with the reports of the Directors and the Auditors thereon.
2. To declare a dividend
3. To re-elect Directors.
4. To ratify the appointments of Mr. Olumide Obayomi, Mr. Christian Ruehmer, Mr. Prateek Shrivastava and Mrs. Denike Laoye as Directors of the Company.
5. To authorize the Directors to fix the remuneration of the Auditors.

SPECIAL BUSINESS

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

   "That the Directors' remuneration for the year ended 31st December, 2016 be and is hereby fixed at the amount stated in the Financial Statements".

By order of the Board

Aluko & Oyebode

ALUKO & OYEBODE
COMPANY SECRETARIES

ALUKO & OYEBODE
Company Secretary
Lagos
Nigeria.

25th April, 2017

Aluko & Oyebode

REGISTERED OFFICE
1, Murtala Muhammed Drive,
Ikoyi, Lagos, Nigeria.

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.

MILESTONES IN OUR JOURNEY

We are Accion Microfinance Bank!

Our vision is to be the market leader in the provision of microfinance and other related financial services at world class standards and our mission is to economically empower micro-entrepreneurs and low income earners by providing financial services in a sustainable, ethical and profitable manner. These are the watchwords we have stood by in a decade of building impactful operations in various Nigerian communities. The words, "Your Future is Bright" is not just a slogan to us, but a philosophy, a way of life for us. Having seen over time the impact Accion Microfinance Bank has made in the lives of its customers. These words have defined us and impassioned us to provide services beyond what is expected of us to our customers.

At Accion Microfinance Bank, we believe that by supporting and enabling Nigerians to build up themselves and their family, we are adding pillars to the community we impact. We will continue to build up these pillars in the Nigerian communities through the provision of financial services, guaranteeing that Nigeria is built up, and one community at a time.

We started this journey at a time when there was insufficient information on Microfinance, coupled with the earlier failures of some microfinance banks which resulted in loss of funds to their customers, loss of jobs to their staff and management. We are proud to say that we have been able to service over 200,000 accounts and disbursed loans worth over N60bn since inception. Providing employment for over 1,400 Nigerians in 48 locations/ branches in Lagos, Ogun, Oyo, Anambra and Rivers State, we have impacted the lives of Nigerians in ways that we did not even imagine we could.

From the customers whom Accion MfB has provided support to ensure that their children get a University education; to the customers who were assisted to build a brighter future for their siblings and relatives and the many customers who are now able to say "With Accion Microfinance Bank, my future is Bright"; These customers continue to inspire us with their stories and testimonies of how Accion Microfinance Bank has made a difference in their lives. At Accion Microfinance Bank, our ideal customers are those who have a dream and a hunger to see these dreams come to life. We provide the opportunities that enable our customers achieve their dreams of a brighter future, as we work to continue to ensure that our customers have easy access to their funds where, when and how they choose to access these funds.

Accion Microfinance Bank, established in 2006 has a license to operate nationally in Nigeria, with an extensive branch network, providing customers with easy access to various products and services, including savings, loans, micro-insurance,& e-commerce.

Services/ Products

To ensure that our customers have access to products and services that are tailored and relevant to their needs, over the years, we have created and refined various products which cater to the many needs of our customers. These products feature several benefits that allow for flexibility, competitive interest rates and flexible loan tenors, amongst other features. From 'My Own Loan', a working capital loan for micro entrepreneurs to 'Our Own Loan', providing needed capital to local entrepreneurial groups, to 'Brighta Purse', a savings account which allows 3rd party withdrawal, we have products that are unique to our customer's needs. Other products like the 'SME Loan', which provides adequate funding for our SME clients allows them the opportunity to be well funded to run their businesses. The 'My School Loan' is a product that is tailored towards School Proprietors and Owners for the development of their schools.

We have since launched the Accion Agent Network to provide cash in, bills payment and phone recharge services to our customers through agents that are located close to the customers. These Agents, who are Accion MfB customers are selected based on several criteria. This new channel is made available for the clients to have the convenience of doing their transactions 'just next door' saving them time and money. The People Living with Disability Loan Product, (PLWD) was designed up to provide support for these caliber of people and attracts no collateral or administrative fees.

Our USSD transaction code , (Accion 322*143*0#) was launched in 2016 and enables our customers transact on their Accion Microfinance Bank Accounts using the phone number with which they are registered at Accion MfB. They are able to check their account balances, pay bills, transfer funds or even recharge their phones from the comfort of their homes and/or offices, and need no internet access to carry out these transactions. Accion Microfinance Bank continues to source for ways to make banking easier for our customers.

Formal opening of our Onitsha Branch

Customers at our Annual Customer Forum

Supporting the JAKIN "Dress A Child For School" Project

From providing employment opportunities to 76 personnel in 2007, Accion MfB has grown over the years to providing employment to over 1400 Nigerians today. Spread across 48 branches in Lagos, Ogun, Oyo, Anambra and Rivers States, we intend to build more communities in Abia and Delta States this year. At the core of Accion MfB are dedicated and loyal employees, showing complete and constant support to the company. The bank has employees who are fulfilled in their job roles and who go above and beyond the call of duty to ensure the company grows and thrives. For us, this is a kind of calling and shows in our daily interactions with our customers and other employees.

OUR STORY

At Accion MfB, we say that our staff are our best assets and to support this, we have, over the years invested heavily in the development of our staff, with several Staff benefitting from several local and international trainings at the Frankfurt School of Finance & Management, The Boulder Institute of Management, The School of African Microfinance, The Harvard Business School, the Lagos Business School/ Pan African University, to mention but a few.

To be selected as one of the best places to work in Nigeria in April 2012, and being named as one of the 100 best companies to work in, by Jobberman Nigeria in 2016 clearly is an indication of our commitment to foster a culture of excellence and high performance in the organization, together with our winning the Lagos Enterprise Award (LEAD) for 4 consecutive years, speaks volumes about our commitment to being the leader in our industry. These awards would not have been possible without the existence of employees who are loyal to the cause (mission), goals (vision) and ideals (core values) of Accion Microfinance Bank. In 2016, Accion Microfinance Bank was rated A- by Agusto & Co, a Pan African credit rating company.

The Accion MfB Staff Cooperative started in 2014 and has recorded several achievements in this time. Catering to over 300 staff who have benefited in several ways from being able to purchase landed property to purchasing other relevant assets. The Cooperative has been able to generate savings of over N79M.

The Annual Accion MfB Staff Tournament was started in 2012 and over the years, this event has proven to be one of the most popular staff initiatives in the organization, building strong competitive teams and enabling our staff to bond & grow in several meaningful ways.

Technology/ Innovation

Adequate use of technology has been our strength in efforts to source for efficient and cost benefitting ways to serve our customers and provide them easy access to their funds. Our branching operations have benefited from these initiatives as we continue in our quest for ways to make our staff more productive.

Several technologies that we have deployed over the years include the In-Branch POS to further improve the Bank's service delivery to its customers and imbibe the cashless philosophy to the bottom of the pyramid. Automated Teller Machines (ATMs) have been installed at several of our branches and we are in the process of expanding the number of these ATM machines available at our branches. Several innovations like the Digital Field Application (DFA), the Electronic Document Management System (EDMS), automated PIN selection, amongst others have helped our operations and enabled the bank increase the ease of doing business for our teeming customers. Our Centralized Loan Processing Centre was created for more efficient and faster processing of our customer's loans, eliminating areas that lead to duplication of procedures and providing easy access to our customers.

As we open up the hope of a brighter future through several cities and towns in Nigeria, we envisage a Nigeria that promotes financial access to all its citizens regardless of their affiliation or ethnicity, empowering them to be true partners in Nation building. Accion Microfinance Bank will be along on the journey to do what we do best, ***building lives, building wealth!***

Year	Award	Organization	Comments
2009	2nd Runner Up Microfinance Bank of the Year	African Bankers Awards	Mentioned
2011	Best Performing MFI	Global Microfinance Achievement Awards	Nominated
2011	Best Microfinance Bank 2011	Lagos State Enterprise Award (LEAD)	Won
2012	Best Place to Work (Culture)	Best Place to Work Award	Won
2012	Best Microfinance Bank 2012	Lagos State Enterprise Award (LEAD)	Won
2013	Best Microfinance Bank 2013	Lagos State Enterprise Award (LEAD)	Won
2014	Best Microfinance Bank 2014	Lagos State Enterprise Award (LEAD)	Won
2014	EFInA Award for Service Provider that has helped deepen Financial Inclusion in Nigeria	EFInA	Won (Microfinance Category)
2015	Most Outstanding Microfinance Bank in ICT Usage		Won
2016	Microfinance Bank of the Year	Nigeria Entrepreneurs Award	Won
2016	Best Use of Customer Management Initiatives	Nigerian Banking Technology Awards	Won
2016	Most Patronized Microfinance Bank of the Year	Ikeja City Award	Won

OUR CUSTOMER'S STORY

Odunukan Aishat Anike

Dealer in Fabrics & other Tailoring Materials
Customer at our Bariga Branch since 2007.

"I Thank God and appreciate Accion Microfinance Bank's support to grow my business. I started this business modestly years ago, and it has grown to be a huge success. My children are graduates today, all with the support I have received from Accion"

Chairman's Address
Board of Directors
Committee Members

Indeed, Accion Microfinance Bank has in its first decade, grown to become one of the market leaders in Microfinance in Nigeria providing in branch and digital financial services to the previously underserved.

Mr. Patrick Akinwuntan
Chairman of the Board of Directors

"A DECADE OF EXCELLENCE IN PROMOTING FINANCIAL INCLUSION"

On behalf of the Board of Directors, I am pleased to welcome you to the 11th Annual General Meeting of Accion Microfinance Bank Limited and present to you the Annual Report and Financial Statements for the year ended 2016.

This Annual General Meeting is particularly special, as it marks ten years of the operations of our bank. Our first general meeting was held 14 November 2007. During this past decade, thanks to our shareholders, members of the board, management, staff, customers, regulators and stakeholders, we have been able to put our company on a very sound footing in line with the goals and ambition we set at the beginning of this journey.

Accion Microfinance Bank grew out of a desire to provide financial opportunities to Nigerians who have been excluded financially and our bank is the brainchild of a group of reputable, result oriented and service driven international and domestic corporate entities; Accion Investments in Nigeria, Citibank, Ecobank, International Finance Corporation and Zenith Bank. Starting off operations from a branch of Ecobank at Oke Arin market in 2007, today, we have provided financial services to over 280,000 clients operating from 48 locations in Lagos, Ogun, Oyo, Anambra and Rivers States.

In the last 10 years, our performance has been recognized and applauded. We are well regarded by our customers, competitors and regulators. Our list of laurels include being the consecutive winner of the Lagos State Enterprise Award for Best Microfinance Bank of the Year (2011 – 2014). We were also voted as one of the top five companies for outstanding work place practices in Nigeria, by Great Place to Work Nigeria in 2012 and won the EFiNA award for the Microfinance Bank that has deepened financial inclusion in Nigeria in 2014. More recently in 2016, we were recognized as Microfinance Bank of the Year by the Nigerian Entrepreneurs Award, Best Use of Customer Management Initiative by the Nigerian Banking Technology Awards and Most Patronized Microfinance Bank of the Year by the Ikeja City Award. In addition, Accion Microfinance Bank emerged as one of the Best 100 Companies to work for in Nigeria in 2016 from a Survey conducted by Jobberman Nigeria.

In 2017 we are listed amongst 343 companies so recognized, as a company to Inspire the Africa Continent, in the inaugural edition of London Stock Exchange Group's Companies to Inspire Africa 2017 report. We are indeed thankful to God for these achievements and we will not rest on our laurels. We will continue to expand and serve our customers as there is still a lot to be done for the average Nigerian to ensure they live brighter lives.

Staff welfare and development, continues to be one of our major priorities, and over the years, we have grown our people in various areas, including several development trainings like the AFOS part sponsored middle management and graduate Trainees Programme, the Middle Management Leadership Development Programme, The Boulder Programme in Italy, and the HBS-Accion Programme in the US, amongst several.

Indeed, Accion Microfinance Bank has in its first decade, grown to become one of the market leaders in Microfinance in Nigeria providing in branch and digital financial services to the previously underserved.

We use the opportunity of our 10th Year anniversary to showcase 10 of our clients who have grown their businesses providing to their families food, shelter, education and hope for a brighter future.

2016 Overview

Our business environment was not an easy one in 2016, as the economy experienced slow growth and had its first full year recession since 1987. Gross Domestic Product (GDP) growth contracted by 1.51% in 2016, which affected across various sectors of the economy including micro and small businesses.

Accion Microfinance Bank naturally, was affected by the challenges prevalent within the Nigerian economy, but even within this environment, Accion Microfinance Bank remained strong and profitable while serving an increasing number of clients. We expanded our services to Anambra, Oyo and Ogun States bringing our presences in Nigeria to 5 States. Accion Microfinance Banks key performance indicators for 2016 remained largely positive with slowdown in a few areas.

2016 Performance

Our loan portfolio grew from N5.45bn in 2015 to N6.12bn in 2016 representing a 12% growth while total disbursements within the year grew from N13.77bn in 2015 to N15.58bn in 2016. However the number of active loan clients declined from 43,788 to 39,036 in 2016 (an 11% decline). Savings deposit was stable at N2bn by end December 2016 in value compared to N2.1bn in 2015. Our number of savers grew by 20% from 120,000 in 2015 to 144,284 clients. In the same vein, total number of accounts grew by 10% from 222,158 in 2015 to 245,095 at the end of 2016. The bank invested in improving its digital channels enabling an increased focus on savings for our clients.

During the year the Naira depreciated by over 54% from an official rate of N197 as at December 2015 to an official rate of N305 by December 2016. This negatively impacted the company as some of our long term funding sources were denominated in foreign currency. Consequently we recorded a profit of N700M in 2016 which was a decline of 16% compared to profit of N838m in 2015. Without this one –time devaluation impact, our profit on ordinary banking activities would have been N996m and a growth of 19% over previous year. Your board has therefore put in place policies to avoid currency exposure mismatches in the future.

We have continued to implement our digital agenda to increase organizational productivity, reduce processing time and cost to carrying out transactions, and providing our customers with better services.

We launched the Accion Agent Banking network to bring the bank's services closer to our customers, providing them easy access to repay their loans, pay for their utility bills and recharge their phones. Our USSD payment platform, Accion 322*143# enables our customers carry out several transactions, transfer funds, pay bills, recharge their phones and check their account balances, all within the ease of their business premises or homes.

Last year, we reported on our efforts to launch the Digital Field Application, which has now been fully deployed bank wide in 2016. The DFA was introduced to enable loan processing

right at our clients premises and this has helped the bank improve on the turnaround time to process a loan, whilst improving the productivity of our staff. We also deployed bank wide a Central Processing Centre (CPC) for loan approval and disbursement thus ensuring prompt, efficient response to our clients financing needs.

Future Outlook

Our focus in the medium term is to deepen our use of technology to serve our customers better through multiple channels to access and transact on their funds in the bank. This reduces their time away from business in order to visit a branch. We shall continue to implement our national spread in 2017. In this regard we will be making a multiple entry into two (2) additional states in 2017 , Abia and Delta States, and will continue to expand via digital low cost channels to serve on a 24/7/365 basis.

Appreciation

By the end of 2017, our pioneer Managing Director/ CEO, Mrs. Bunmi Lawson would have spent 10 years as the CEO and MD. During her tenor, we have seen the bank continue to grow from strength to strength and positively influence the industry and society at large. The bank has put in place a transition process that will ensure a smooth handover and continuous growth of the bank. I thank Bunmi specifically for her diligent work in achieving the vision of the bank.

I must also thank all past Directors of the bank in the past decade for their excellent contributions to the growth of our bank. These past directors are Mr. Enrique Ferraro, Mr. Andrew Alli, Mr. Godwin Emefiele, Ms. Tosin David, Mr. Rotimi Oyekanmi, Mr. Sam Kolawole (Late), Mr. Emeka Emuwa, Mr. Solomon Adegbie-Quaynor, Mrs. Funmi Ogunlesi, Dr. Olusegun Ajibola and Mr. Omar Hafeez.

The achievements of the bank would not have been accomplished without the support and leadership of my colleagues, currently on the Board and the dedication of the management and staff all these years. I thank you very much.

Most importantly, we remain constantly grateful to our customers and we will continue to provide them with easy access to financial services in a sustainable, ethical and profitable manner.

With Accion Microfinance Bank, our future is bright.

I thank you

Patrick Akinwuntan
Chairman of the Board of Directors - Accion Microfinance Bank Ltd

Igwegbe Chukwuma Vincent

Dealer Leather Bags & Shoes
Customer at our Oke-Arin Branch since 2007.

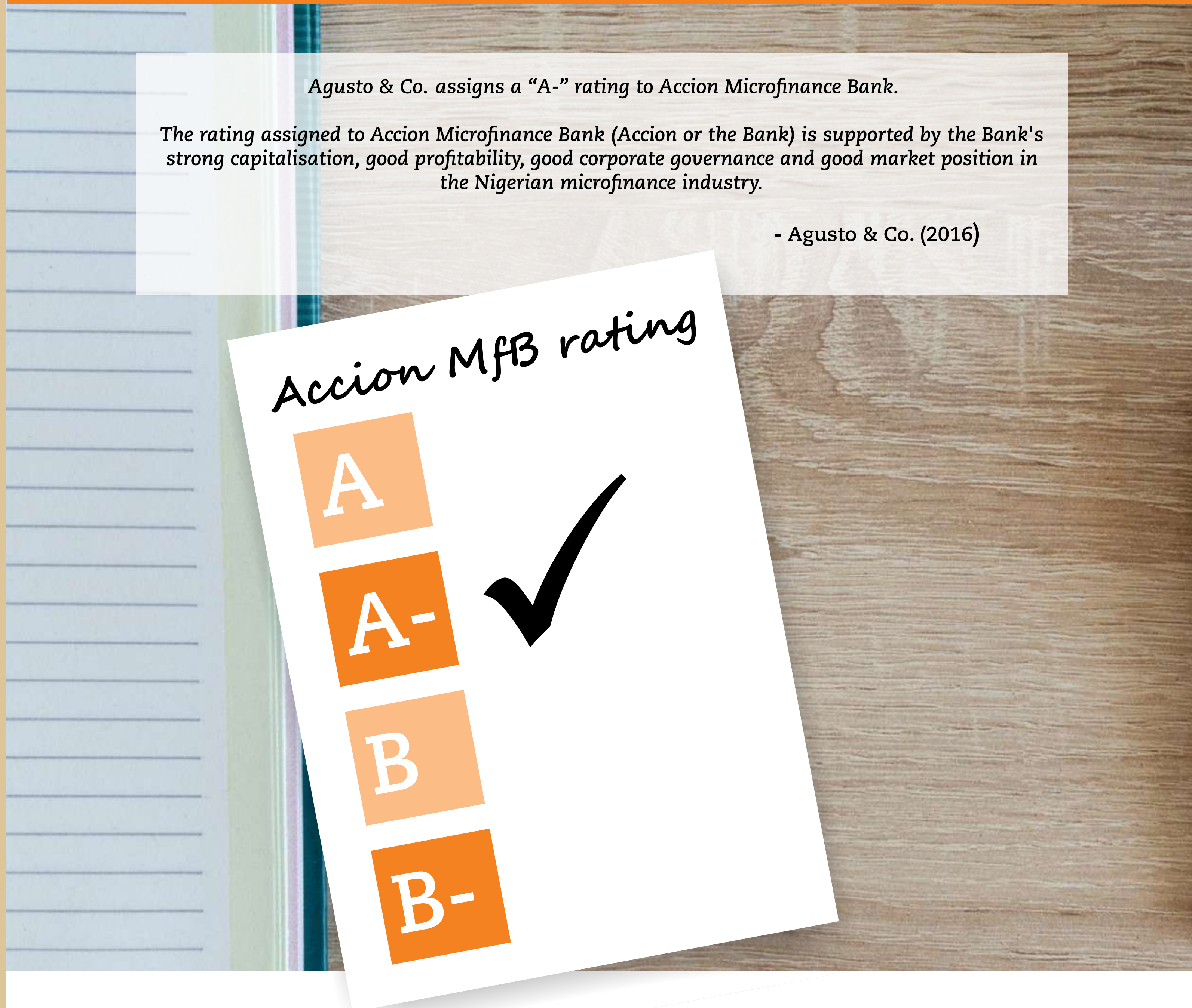
"I thank God for the success of my business and I appreciate the support from Accion Microfinance Bank. I have moved from being a dealer to an importer in leather goods, moved from a room to a flat, even moved from being a bachelor to a married man. All with the support of Accion."

Our credentials speak for us!

Agusto & Co. assigns a "A-" rating to Accion Microfinance Bank.

The rating assigned to Accion Microfinance Bank (Accion or the Bank) is supported by the Bank's strong capitalisation, good profitability, good corporate governance and good market position in the Nigerian microfinance industry.

- Agusto & Co. (2016)



For a decade, Accion Microfinance Bank Ltd., has distinguished itself as a leading Microfinance Bank. With 48 branches in 5 states, over N60bn disbursed to MSME's, providing employment for over 1400 Nigerians, Winner of the EFInA Award for the Service Provider that deepens Financial Inclusion in Nigeria, Awardee - Great Place to Work Nigeria (Culture), 4 times LEAD Award for Best Microfinance Bank of the Year , all of these holding the promise of a brighter future.

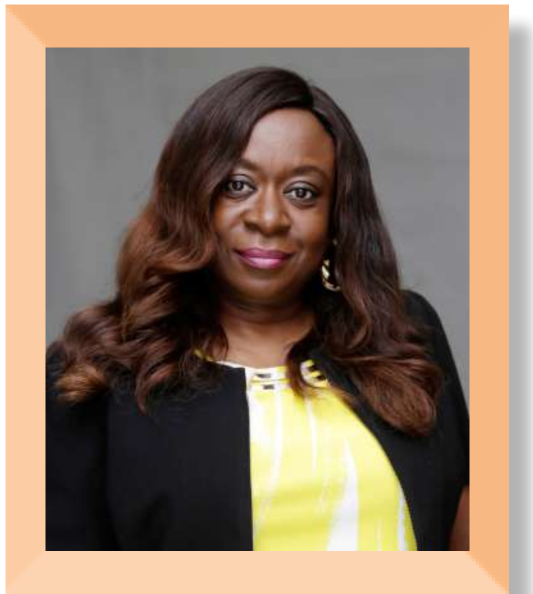
Visit www.acciomfb.com to find out how together, we can build a brighter future.

My Future is Bright

ACCION
Microfinance Bank

Patrick Akinwuntan
Chairman of the Board of Directors

John Fischer
Vice Chairman
of the Board of Directors



Bunmi Lawson
Managing Director/ CEO

Akin Dawodu
Non - Executive Director

David Kruijff
Non - Executive Director

Dr. Olusegun Aina, OFR
Independent Director

Habiba Balogun
Independent Director

Ethics & Governance Committee

Habiba Balogun
Chairperson

Dr. Olusegun Aina, OFR
Member

Nneka Enwereji
Member

Audit & Compliance Committee

Olumide Obayomi
Chairperson

David Kruijff
Member

Brian Kuwik
Member

Risk & Investment Committee

Dr. Olusegun Aina, OFR
Chairperson

John Fischer
Member

David Kruijff
Member

Akin Dawodu
Member

Bunmi Lawson
Member

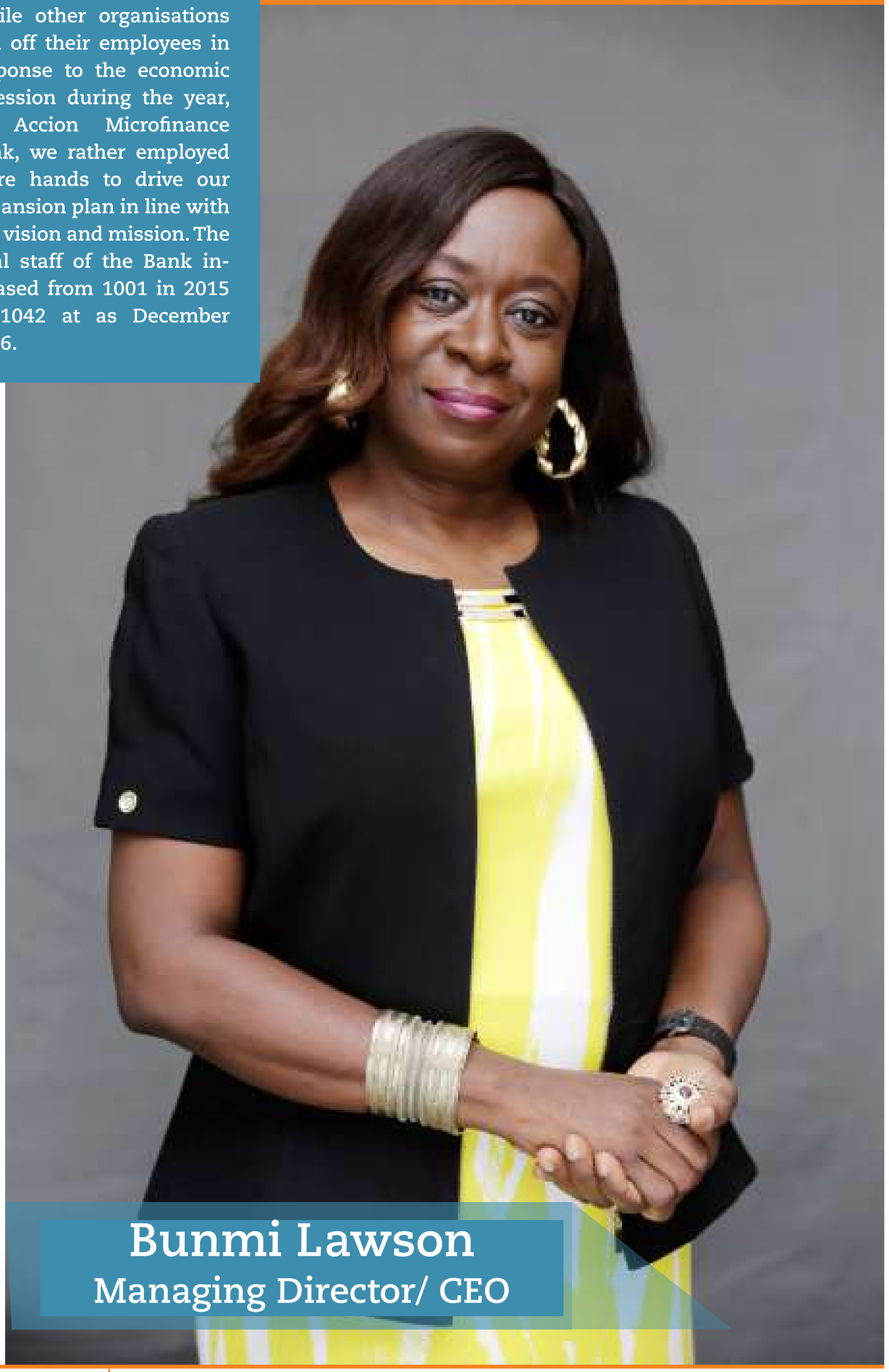
Ogunyemi Temitope Oluwakemi

Dealer in Furniture Making Materials
Customer at our Ladipo Branch since 2008.

"Accion Microfinance Bank’s support has been very instrumental to my business growth. When i started, my shop was very small, but with Accion's support i have been able to grow my business and see my children through to getting quality education."

Managing Director’s Report
Management Team

While other organisations laid off their employees in response to the economic recession during the year, At Accion Microfinance Bank, we rather employed more hands to drive our expansion plan in line with our vision and mission. The total staff of the Bank increased from 1001 in 2015 to 1042 at as December 2016.



Bunmi Lawson
Managing Director/ CEO

"10 YEARS OF SERVING FOR A BRIGHTER FUTURE"

As I get towards almost 10 years as MD/CEO of Accion Microfinance Bank, I pause to look back at our accomplishments. Usually my focus is on the future, tackling ways to make the future better. But this time as I come close to the end of my tenure as the pioneer MD of this great Bank, I think it is an apt time to pause and take stock before looking forward to what the future holds. Overall it has been 10 years of accomplishments; some beyond my expectations and some requiring a little bit more work. I am pleased with what we have achieved in our mission, which is to economically empower micro- entrepreneurs and low income earners by providing financial services in a sustainable, ethical and profitable manner. The manner in which we provide our service has always been extremely important and I believe this is the foundation for our continued success in microfinance.

I recall my first day, we were seated in a small office shared with 5 other staff, planning for the commencement of operations of this Bank, which was amongst the first licensed microfinance banks in Nigeria. Our license was number 5, some of those in the first 10 are no more today. It has been a journey of accomplishments, striving to overcome challenges thrown by the economic and business environment of Nigeria. Yet we strived on and I am grateful for the team of staff, management and Board members we had, to guide us through. We have always had a continuous view of overcoming; it is never a failure until one gives up. Accion today remains a strong growing and expanding Bank.

Over the last ten years we have served over 280,000 clients directly, since commencing operations in 2007. At the beginning, we asked our clients what does it mean to them to have a brighter future and it is the same as with most people, have a good home, give my children a good education, live a healthy life, have a successful business and leave a legacy behind. We have designed our product offerings to enable a brighter future for our customers.

We have grown from our first working capital product to offering a bouquet of financial services to meet our customers' needs. We were the first to offer micro insurance offering both life, fire burglary and now health insurance. We were amongst the first to offer our own branded ATM card accepted on all ATM machines nationwide to all our customers. We expanded our savings products to include current accounts with cheque books. Our first customers were so proud to be able to say they could issue their own cheques, having been denied this pleasure with the onerous requirements to open current accounts, in commercial Banks at that time. We expanded our loan products to hitherto underserved sectors including low fee paying private nursery and primary schools, so our clients could also access high quality education for their children, while still being able to afford the school fees.

Today, we have served over 1,250 schools with an estimated student population of 300,000 pupils. Together with the Department for International Development (DFID), we provided loans to the hospitals and clinics that operated in low-income areas and served the Bottom of the Pyramid (BOP) such as maternity homes, patent medicine stores, diagnostic centers etc. We also provided housing microfinance to enable our clients who owned land or their own homes to improve the conditions of their homes for example, install water based seated toilet, repair their roofs or built boreholes etc. We were the first within the microfinance industry to have a core banking system comparable to any core banking software system used within the commercial banking sector, because we knew we needed a robust system to serve the thousands of clients we were going to have, with an array of innovative products.

All of these we would not have accomplished without the right staff. It has always been important to us that those we hire to join us have the same set of values and buy into our vision and mission. We have grown our staff strength to over 1,000. and invested significantly in training our staff both locally, and internationally. Sending each and every one of our senior management staff to at least one leading course overseas to the likes of Harvard Business School. It has always been the policy of the Bank to ensure that each year every full time confirmed staff attends at least one internal or external training program. Once we provide our staff with the tools and training they need we expect a high standard of performance and we don't compromise on that drive for excellence. A breach of our values is an immediate ground for dismissal and where fraud occurs we prosecute to the full extent of the law. We expect our staff to be role models both within the Bank and the society at large.

A key foundation to the success of Accion Microfinance Bank has been our shareholders and the directors that we have. Our board, I personally believe, is as capable if not more capable than any Board in Nigeria. We have been blessed to have a Chairman and directors with strong vision and drive for excellence, but most of all have a passion for serving the poor by driving the achievement of financial inclusion. They have pushed us to continue to aim for higher goals when others were singing our praises, and they have encouraged us when we though we faced defeat. They have invested time to go through every page of the sometimes voluminous board working papers and also send information and resources our way to ensure we continue to have all we need to grow the Bank. Personally, I have learnt so much both technical and about leadership from each one of our Directors.

Accion has always been committed to advancing the microfinance industry in Nigeria and we have worked closely with regulators and other industry players such as other Microfinance Banks, Credit Bureaus and Development Agencies to ensure this is achieved. We have been part of the National Association of Microfinance Banks, advancing the unification of the old and new after the transition of Community Banks to Microfinance Banks. We have sponsored and led conferences of both the Association and the Microfinance platform, a forum for key players in the Microfinance sector to meet regularly with the regulator. I also want to note our key competitors who have always ensured we push ourselves beyond what we thought we could achieve. I believe that we have a healthy cooperative competitive environment.

As a business Accion MfB is a National Microfinance Bank with over 245,980 customer accounts and 42,055 active borrowers serviced in 48 branches in Lagos, Rivers and Ogun, Oyo and Anambra states. In line with its National expansion strategy, the Bank opened its first branch outside Lagos in Port Harcourt in September 2015. It followed suit with the opening of its first branch in Ogun state in May 2016, Oyo and Anambra States in August 2016 respectively, with plans to increase our presence to six other states in the next three years. The Bank grew its gross turnover from N404m in 2008 to N1bn in 2011, N2.7bn in 2014 and N4bn as at December 2016, indicating an average growth of 39% over the past nine years. From a loss of N67m in 2008, it has sustained its profitability from 2009 to date recording N107m in 2009, N561 in 2013 and

N700 in 2016 indicating an average growth of 39% over the years.

We have also benefited from the positive feedback we have had from industry watchers. Every year, since 2009, we have consistently won awards from credible organizations. Early this year 2017, Accion MfB was listed as one of 343 companies from various business sectors as a Company to Inspire the Africa Continent 2017 in the inaugural edition of London Stock Exchange Group's Companies to Inspire Africa 2017 report. The London Stock Exchange confirmed Accion MfB as one of the companies fundamental to the successful future of the African economy, with enormous potential for growth and high-quality job creation. All these continued to serve as a pointer to keep us on our toes in the provision of quality service and a brighter life for our Customers and Staff who are the major drivers and reasons for the above compliments. Also, in recognition of the Bank's valuable work as an employee focused organization with high regard for Staff Welfare, Accion Microfinance Bank emerged as one of the Best 100 Companies to work for in Nigeria in 2016 from the Survey conducted by Jobberman, West Africa's most popular job search engine and aggregator based in Lagos, Nigeria.

2016 was a special year. It tested all we knew about economics and development in an environment filled with uncertainty and shocks. 2016 was a year in which the economy of Nigeria contracted for three consecutive quarters and we could not hide from a recession. The implications for the economy were grave with a lot of adverse events such as the sharp fall in the oil price in the international market with its adverse effects on the economy leading to a free fall of the Naira, depletion in our external reserves, high inflation rate, increased unemployment rate from business failures, shut downs and layoffs, dwindling private investments, fragmented foreign exchange market etc. On the political front, so much strife and rumors cast doubts on the leadership of the country, as there were great concerns regarding the observed dichotomy & misalignment reality and the campaign promises. Security wise, the upsurge in ethnic agitations from different ethnic groups along with the lingering security challenges in the Northeast were great concerns.

The Bank as a segment of the national economy was not immune from these events that bedeviled the economy. As a result, a review of our performance indicators during the period under review showed mixed performance with some gaps in our performance trajectory when compared to our plans for the year. Profit before tax was N700m down from N838m in 2015 a decline of 17% from 2015. This was largely due to exchange rate losses as a result of the significant depreciation of the Naira.

The Bank grew its outstanding loan portfolio balance to N6.12bn in 2016 from N5.45bn in 2015 indicating as average growth of 31% over the years and 12% between the current and previous year. Cumulative disbursement of the Bank from inception to date grew at an average of 56% from N1.9bn in 2008 to N10.4bn in 2011, N33bn in 2014 and N62bn in 2016. When compared to 2015, it grew by 33% from N47bn. Our efforts at driving the savings culture in our customers over the years paid off as our number of Savers grew by an average of 29% and 20% between 2015 and 2016 from 120,000 to 144,284 clients. In the same vein, total number of accounts grew by 38% over the years and 10% from 222,158 in 2015 to 245,095 at the end of 2016. Deposits on the other hand grew at an average of 41% from N144m in 2008 t0 N2bn in 2016. It however declined marginally by 5% between 2015 and 2016 from N2.12bn.

Portfolio at Risk (PAR) deteriorated for both PAR>1 Day and PAR>30 Days from 11% and 5% in

MANAGING DIRECTOR'S REPORT

2015 to 12.26% and 7.87% in 2016 respectively. Average PAR>1 Day and PAR>30 Days over the past nine years was 6% and 15% respectively. While the economic downturn could explain some of this deterioration, we as a Bank are committed to improving our loan quality and expect to see improvements in 2017.

In 2016 we employed more staff to drive our expansion plan in line with our vision and mission. The total staff of the Bank increased from 1001 in 2015 to 1042 at as December 2016. Also, the Core staff strength grew by 11% from 797 in 2015 to 884 at the end of December 2016. This has grown by an average of 25% over the years. In 2016, our total salaries/wage bill increased by 12% from N1.064bn in 2015 to N1.189bn. We also grew the Bank's number of outlets/branches over the years from 18 in 2012 to 31 in 2015 and 48 in 2016. In line with the expansion plan, we will be making a multiple entry into two (2) additional states in 2017 while also expanding in the existing states.

As part of efforts in deepening financial inclusion in Nigeria and making significant improvements in our service delivery to our amiable customers, the Bank successfully deployed various initiatives and projects during the year under review. We also continued to leverage on technology as a major driver of the Bank's expansion strategy.

During the period, the Bank deployed the USSD mobile banking service which enables our clients to consummate banking transactions comfortable from their phones. This once again significantly increased customers' easy access to their funds anytime. This service has gained tremendous adoption among staff and customers. We have also deployed Merchant POS to our Customers to aid their business. We also deployed the DFA (Digital Field Application) initiative to create efficiency in our data capturing in the loan process Bank wide. This has replaced the usual manual loan applications (paper) and evaluation in the Bank. The Credit Processing Centre has also stabilized resulting in a significant improvement in our loan turnaround time especially with the DFA full deployment.

Furthermore, in line with our commitment to the supporting capacity building and to further engender professionalism in the Microfinance banking sector, we continued the financial awards to the Best students in the Microfinance Certification programme of the Chartered Institute of Bankers of Nigeria during the year under review.

In closing, I want to use this opportunity to recognise and appreciate our amiable Staff, Management, Board and shareholders of the Bank for the unrelenting support and commitment to the Bank over the years which have taken the Bank to its current enviable position in the industry and the entire Nigerian economy. I am convinced that with the solid foundation laid over the years that the Bank will continue to achieve an even brighter future.

Bunmi Lawson
Managing Director/CEO

MANAGEMENT TEAM

Bunmi Lawson
Managing Director/ CEO

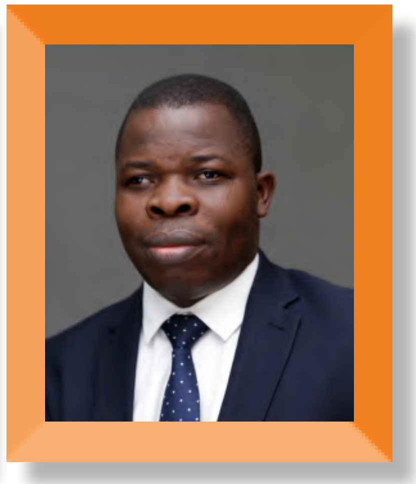
Nwanna Joel - Ezeugo
Chief Commercial Officer

Promise Nwankwo
Chief Finance Officer

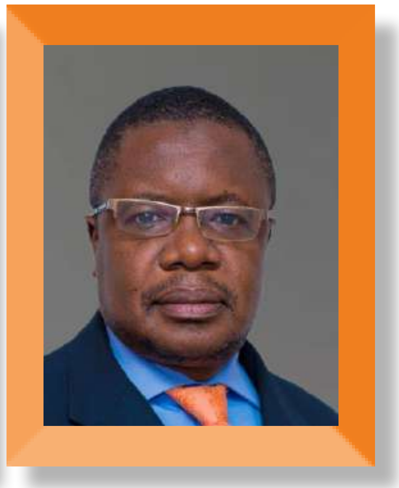
Gift Mahubo
Chief information Officer

MANAGEMENT TEAM

Stephen Olalere
Chief Operations Officer



Babatunde Omolere
Head, Risk Control & Compliance

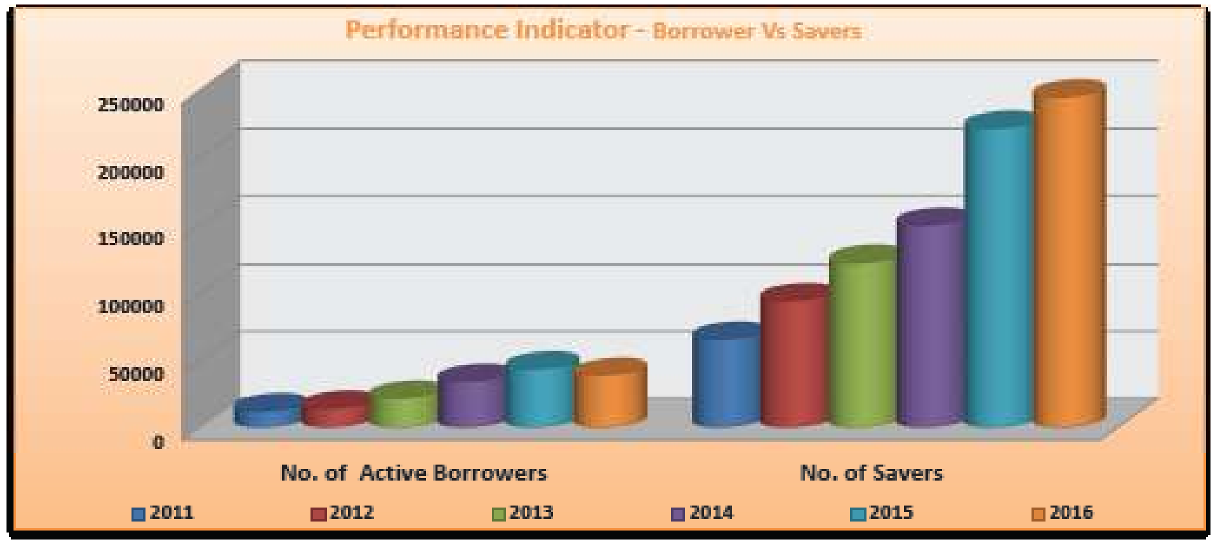


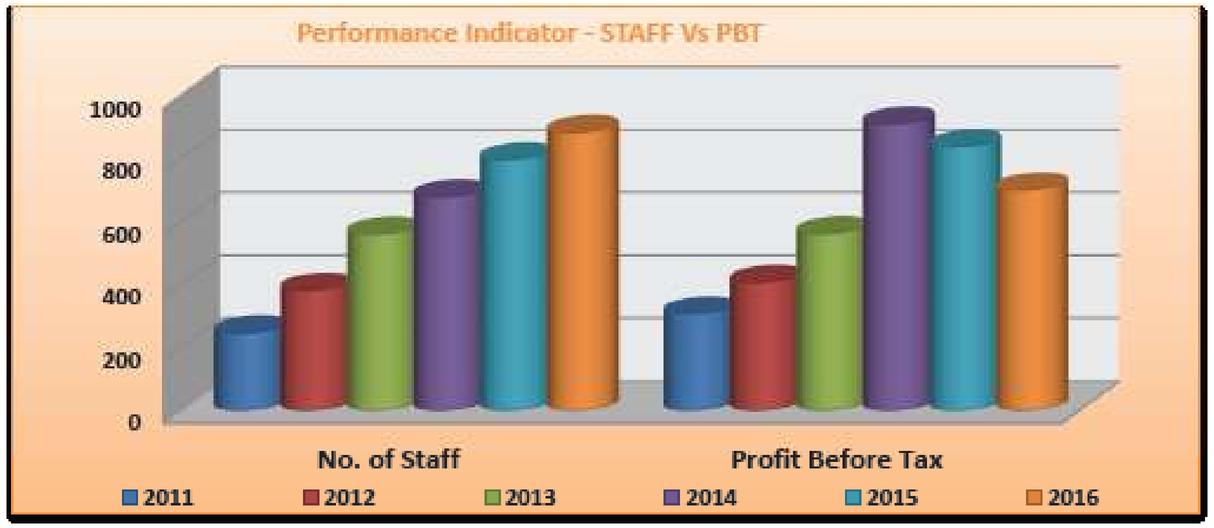
Robert Magala
Resident Advisor
Regional Expansion

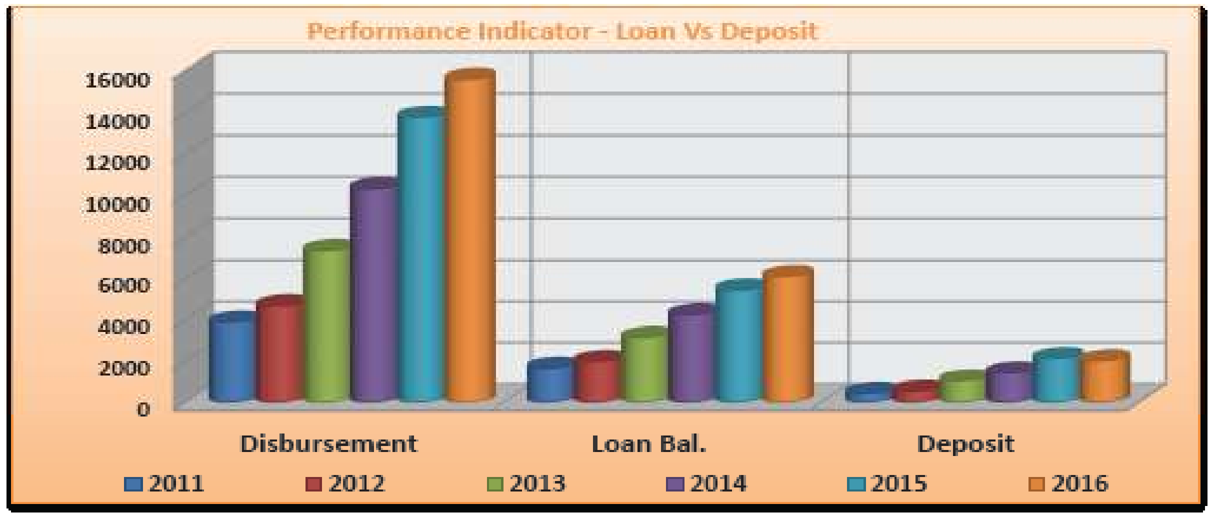
Emeka Uzowulu
Head, Product & Business Dev

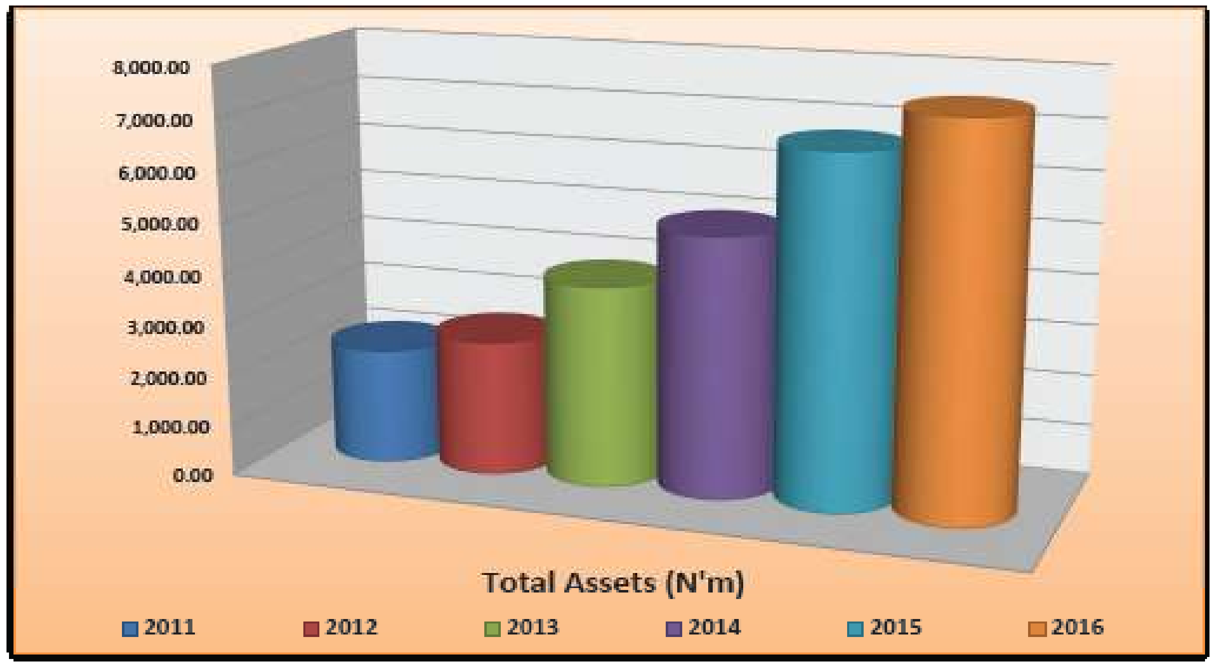
Waheed Fagbenro
Head, Internal Audit

Oladapo Famuyide
Resident Advisor
(Channels & Technology)


Performance Indicator - Borrower Vs Savers
250000
200000
150000
100000
50000
0
No. of Active Borrowers
No. of Savers
2011 2012 2013 2014 2015 2016


Performance Indicator - STAFF Vs PBT
1000
800
600
400
200
0
No. of Staff
Profit Before Tax
2011 2012 2013 2014 2015 2016


Performance Indicator - Loan Vs Deposit
16000
14000
12000
10000
8000
6000
4000
2000
0
Disbursement
Loan Bal.
Deposit
2011 2012 2013 2014 2015 2016


8,000.00
7,000.00
6,000.00
5,000.00
4,000.00
3,000.00
2,000.00
1,000.00
0.00
Total Assets (N'm)
2011 2012 2013 2014 2015 2016


Total Assets (Growth Rate %)
2011 8%
2012 6%
2016 13%
2013 23%
2015 30%
2014 20%

OUR CUSTOMER'S STORY

Onwu Ernest Ndubuisi

Dealer in Footwear
Customer at our Oshodi Branch since 2007.

"Over the years, Accion Microfinance has supported my business, giving me easy access to loans to grow my business. I appreciate the help they have given me and others who have had the need to build their businesses"

The 2016 Financials

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report on the affairs of Accion Microfinance Bank Limited ("the Microfinance Bank") together with the Microfinance Bank's audited financial statements and auditor's report for the year ended 31 December, 2016.

Legal Form

The Microfinance 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 authorized share capital has since been increased to N1,240,000,000 with issued share capital of N1,238,872,971 of which N1,212,617,485 is fully paid.

Principal Activity

The Microfinance Bank's principal activity 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 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 microfinance banks.

Operating results

Highlight of the Microfinance Bank operating results for the year under review was as follows:

	2016 N 000	2015 N 000
Profit before taxation	700,120	838,433
Taxation	161,900)	(292,492)
Profit after taxation	**538,220**	**545,941**
APPROPRIATION:		
Transfer to Statutory Reserve	134,555	136,485
Transfer to General Reserve	403,665	409,456
	538,220	**545,941**
Earnings per share – Basic (kobo)	44	45
Dividend Per Share - Proposed (kobo)	22.50	15

Proposed dividend

The Board of Directors recommended a dividend of N272,838,934.13 for the year ended 31 December 2016 (31 December 2015: N181,659,072.75). Withholding tax will be deducted at the time of payment.

Directors and their interests

The directors who served during the year were as follows:

Mr. Patrick Akinwuntan	Chairman
Mr. John Fischer	Vice Chairman
Ms. Bunmi Lawson	Managing Director/CEO
Mr. David Kruijff	Non- Executive Director
Mr. Akin Dawodu	Non- Executive Director
Dr. Olusegun Aina	Independent Director
Mrs. Habiba Balogun	Independent Director

The directors are representatives of the institutional investors who are the shareholders of the Microfinance Bank. apart from the Independent Directors on the Board. The directors do not have any interest in their personal capacity, which is required to be disclosed under Section 275 of the Companies and Allied Matters Act.

Shareholding

The shareholders of the Microfinance Bank as at 31 December, 2016 and their respective shareholding are as follows:

Shareholders	Number of Shares held	%
Issued and fully paid		
Accion Investments in Microfinance Nigeria	443,184,162	35.77
Citibank Nigeria Limited	246,555,669	19.90
Ecobank Nigeria Limited	269,225,436	21.73
International Finance Corporation (IFC)	156,010,382	12.59
Zenith Bank Plc	90,858,036	7.33
Stanbic IBTC Trustees	6,783,800	0.55
	1,212,617,485	**97.88**
Issued but unpaid-Stanbic IBTC trustees	26,255,486	2.12
	1,238,872,971	**100**

The shares in the name of Stanbic IBTC Trustees are held in trust for the Senior Management Staff Share Scheme of the Bank.

Property and equipment

Information relating to changes in property and equipment is given in note 19 to the financial statements.

Employment of Disabled Persons

The Microfinance Bank operates a non-discriminatory policy in the consideration of applications for employment including those received from disabled persons. The Bank's policy is to recruit the most qualified candidate for appropriate job levels irrespective of an applicant's physical condition. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Microfinance Bank continues and that appropriate training is arranged. It is the policy of the Microfinance Bank that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Health, Safety and Welfare at Work

The Microfinance Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards.

Employee Involvement and Training

The Microfinance Bank's policy with regard to employee involvement and training is to encourage participation of employees in arriving at decisions in respect of matters affecting their well-being.

Towards this end, the Microfinance Bank provides opportunities where employees deliberate on issue affecting the Microfinance Bank and employee interests, with a view to making inputs to decisions thereon. The Microfinance Bank places a high premium on the development of its manpower. Consequently, the Microfinance Bank sponsored its employees for various training courses in the year under review.

Auditors

The Auditors, Messrs. Akintola Williams Deloitte have indicated their willingness to continue in office in accordance with section 357(2) of the Companies and Allied Matters Act.

BY ORDER OF THE BOARD

ALUKO & OYEBODE
COMPANY SECRETARIES

Aluko & Oyebode
Company Secretary

March, 2017

The Directors of **Accion Microfinance Bank Limited** are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Bank as at 31 December 2016, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS"), Regulatory and Supervisory framework for Microfinance Banks and in the manner required by the Companies and Allied Matters Act of Nigeria, Banks and Other financial institutions Act, CAP B3 LFN 2005 and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transac tions, other events and conditions on the Bank's financial position and financial performance; and
- making an assessment of the Bank's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Bank;
- maintaining adequate accounting records that are sufficient to show and explain the bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank, and which enable them to ensure that the financial statements of the Bank comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Bank; and
- preventing and detecting fraud and other irregularities.

Going Concern:

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

The financial statements of the Bank for the year ended 31 December 2016 were approved by Board of Directors on 30 March 2017

On behalf of the Directors of the Company

Patrick Akinwuntan	**Bunmi Lawson**
Chairman	**Managing Director/CEO**
FRC/2013/ICAN/00000002861	**FRC/2013/IODN/00000002574**

LEADERSHIP & INTEGRITY
SOCIETY FOR CORPORATE GOVERNANCE NIGERIA
8 Onigefon Road, Palace Way, Oniru, P.O.Box 73002, Victoria Island, Lagos.
Phone: +234 8158390739, 8158390740
Website: www.corpgovnigeria.org

BOARD EVALUATION REPORT FOR THE BOARD OF ACCION MICROFINANCE BANK

EXECUTIVE SUMMARY

The Society for Corporate Governance Nigeria was invited to conduct an independent evaluation/assessment of the Board of Accion Microfinance Bank Limited for 2015, on Monday, August 15, 2016. This was done in compliance with Section 15 of the Securities & Exchange Commission (SEC) Code of Corporate Governance and Section 2.8 of the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria.

Below is a summary of our findings:

From its inception, Accion Microfinance Bank Limited has maintained an excellent track record and steady growth across its different spheres of operation. The bank is committed to an attitude and culture of positively influencing its environment as it adheres to the highest ethical standard; employing fairness, probity and mutual respect in its affairs.

Accion Microfinance Bank Limited is not only known for its commitment to optimal standards for achieving results through best practices, but it also boasts high standard of professional judgment and objectivity in all its dealings with customers, through its team of qualified professionals who are poised to bringing a genuinely fresh proposition to risk management; using expertise, knowledge and successful track records.

The key responsibility of the Board of Accion Microfinance Bank Limited is to oversee the Bank's business strategy and business plan and to ensure that the management of the Bank is consistent with the shareholders' resolution and in compliance with the law, which task the Board has continued to carry out with firm commitment.

The Board is composed of Directors who are competent and experienced with sound knowledge of business issues and experienced in the financial services industry.

The Chairman of the Board has fostered an environment that encourages and supports the active participation and contribution of Board members at meetings.

Peer assessment results showed that the Directors' main areas of strength are Finance, Risk Management and Communication both in the Board and Committees and the Director's knowledge and understanding spanning across their diversity, experience and resounding knowledge.

The company corporate has a comprehensive Governance policy, Board Guidelines, Code of Business Ethics and Whistle Blowing Policy. All the policies were sighted and assessed for content and relevance and were found to be way above average.

In view of this, we rate the board '**Very good'** in regulatory compliance and transparency.

In our opinion, The Board of Directors of Accion Microfinance Bank has taken its oversight responsibility very serious. This is demonstrated by the attendance at Board and Committee meetings of the Directors and the depth of discussions and resolutions arrived at during these meetings.

However, we believe that the Board and ultimately, the Company will fare better and achieve more if there is gender balance on the Board. We also noted the need for the Board to introduce into its Board, experts in the legal sector and also in Digital Finance, Economic Analysis, mobile and strategy who are experienced in the banking sector and have eyes on current trends, and in the digital space.

We therefore advice that these be considered seriously, with a view to ensuring compliance and increasing the effectiveness of the Board.

In the period under review, the Board met Four (4) times.

In as much as there is still room for improvement and continuous Director development, we are happy to state that the Board of Accion Microfinance Bank Limited conducted its affairs in an acceptable and satisfactory manner in 2015/2016.

For: **SOCIETY FOR CORPORATE GOVERNANCE NIGERIA**

Hilda Nkor (Mrs.)
FRC/2016/NIM/00000015618
Chief Executive Officer

a. Introduction

As a major market leader in the microfinance industry Accion Microfinance Bank is committed to ensuring good corporate governance.

Accion Microfinance Bank has an effective governance system that ensures proper oversight of its business by the Directors and other principal organs of the Bank. To this end, the Bank's corporate governance framework is predicated on the International Finance Corporation (IFC) principles and methodology. The bank has established and continuously monitors the effectiveness of its corporate governance structures and processes for the direction and control of the bank's activities. Adherence to corporate governance principles is articulated in a number of corporate documents. The Articles of Association of the Bank define the respective roles of the Management, the Board of Directors and the shareholders (including the protection of minority rights). Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital.

b. The Board

The responsibility for the governance of the Bank lies with the Board of Directors, which is accountable to the shareholders.

The Board of Directors currently consists of seven (7) members as at 31st December 2014 made of one (1) Non-Executive Chairman, five (5) non-executive Directors and one (1) Executive Director which is the Managing Director/CEO. Two (2) of the Non-Executive Directors are Independent Directors, appointed in compliance with the section 5.3.6 of the Code of Corporate Governance for Banks and Other Financial Institutions.

The Board discharges its oversight functions and provides strategic direction through reviews and approval of major strategic plans and initiatives. The Board is responsible for driving the governance structure of the Bank. Besides possessing the requisite academic qualifications and experience in Board affairs, the Directors are well abreast of their responsibilities and are conversant with the Bank's business. They are therefore able to exercise sound judgment on matters relating to its business.

Mindful of their duties of care & skill as provided for under Section 279 and 282 of the Companies & Allied Matters Act, the Directors at all times during the year acted in the best interest of the Bank, shareholders, employees and other stakeholders.

The Board oversaw as well as evaluated Management's performance vis-à-vis the set of corporate goals and objectives through the use of effective Committees while holding itself responsible for all delegated functions.

By instrument of the Articles of Association of the Bank, the Board delegated the responsibility for the day-to-day operation and administration of the Bank to the Managing Director/CEO and the senior management team who have executed these powers without undue interference while being accountable to the board for the development and implementation of strategies and policies.

Building A Brighter Future

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

There was no conflict of interest in the directors' individual and collective relationships with the Bank during the period as directors exercised independence in their views and recorded commendable attendance at meetings with high levels of participations and quality of contributions.

The Board meets quarterly and additional meetings are convened as the need arises. In furtherance of the above roles, the Board met five (5) times during the year under review on the following dates: 13th March 2015, 15th May 2015, 21st August 2015, 9th October 2015 and 20th November 2015 as shown in the table below:

S/N	Names of Directors	Designation	No. of Meetings	Attendance
1.	Mr. Patrick Akinwuntan	Chairman	5	5
2.	Mr. John Fischer	Vice-Chairman	5	4
3.	Mr. David Kruijff	Non- executive Director	5	5
4.	Mr. Olusegun Aina	Independent Director	5	5
5.	Mrs. Habiba Balogun	Independent Director	5	4
6.	Mr. Akin Dawodu	Non- executive Director	5	3
7.	Ms. Bunmi Lawson	MD/CEO	5	5
8.	Mr. Olumide Obayomi	Independent Director	5	4

c. The Board Committees

The effectiveness of the Board is fortified and strengthened by its three (3) committee namely:

- Risk & Investment Committee
- Audit & Compliance Committee
- Ethics and Governance Committee.

The membership, meetings, duties, responsibilities and operations of these Committees are subject to the provisions of the Committee Charters as approved by the Board.

Risk and Investment Committee: The overall purpose of this Committee is 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 covers oversight of operations, financial performance and reporting as well as regulatory compliance and risk management issues such as:

i. Ensure 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.

ii. Design and implement risk management practices, specifically provide ongoing guid ance and support for the refinement of the overall risk management framework and ensuring that best practices are incorporated;

iii. Ensure that Management understands and accepts its responsibility for identifying, assessing and managing risk.

iv. Provide oversight for operations, financial performance, management reporting as well as regulatory compliance and risk management issues.

v. Ensure and monitor risk management practices, specifically determine which enter prise risks are most significant and approve resource allocation for risk monitoring and improvement activities, assign risk owners and approve action plans.

vi. Periodically review and monitor risk mitigation process and periodically review and report to the Board of Directors:
 (a) magnitude of all material business risks;

 (b) the processes, procedures and controls in place to manage material risks;

 (c) the overall effectiveness of the risk management process.

vii. Facilitate the development of a comprehensive risk management framework for the Bank, develop the risk management policies and processes, and enforce its compli ance.

viii. To establish and periodically review the bank's risk portfolio in order to align organi zational strategies, goals, and performance.

ix. 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.

x. Review the Bank's conflict of interest policy annually, review all updated conflict disclosure statements from Directors, officers, committee members, and key staff, determine if a conflict exists, and present any conflicts to the full Board for review and decision.

xi. Assume responsibility for the formulation and implementation of a bank wide risk policy and set the tolerance for risk.

The Committee is required to meet at least once a quarter. The Committee met four (4) times during the year under review and membership of the Committee and attendance at its meetings are as follows:

S/N	Names of Directors	Designation	No. of Meetings	Attendance
1.	Mr. Olusegun Aina	Chairman	4	3
2.	Mr. John Fischer	Member	4	4
3.	Mr. David Kruijff	Member	4	4
4.	Mr Akin Dawodu	Member	4	2
5.	Ms Bunmi Lawson	Member	4	4

Audit and Compliance Committee: The overall purpose of this Committee is to, on behalf of the Board; 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:

i. Documents/Reports Review

ii. Review and update this Charter periodically, at least annually, as conditions dictate.

iii. Review the Bank's annual financial statements and any reports or other financial in formation submitted to any governmental body, or the public, including any certifica tion, report, opinion, or review rendered by the external auditors.

iv. Review the regular internal reports to management prepared by the Internal Audit De partment and management's response.

1. **Independent Accountants – External Auditors**

 i. Recommend to the Board of Directors the selection of the external auditors, considering independence and effectiveness and approve the fees and other compensation to be paid to the external auditors. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships the external auditors have with the Bank to determine the external auditors' independence.

 ii. Review the performance of the independent accountants and approve any proposed discharge of the independent accountants when circumstances warrant.

 iii. 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.

2. **Financial Reporting Processes**

 i. In consultation with the external auditors and the internal auditors, review the integrity of the Bank's financial reporting processes, both internal and external.

 ii. Consider the independent accountants' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

 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.

iii. 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.

3. **Process Improvement**

i. 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.

ii. 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.

iii. Review any significant disagreement among management and the independent accountants or the Internal Audit Department in connection with the preparation of the financial statements.

iv. 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.

4. **Ethical and Legal Compliance**

i. Establish, review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code.

ii. Obtain reports from management, the Internal Auditor and the External Auditors regarding compliance with all applicable legal and regulatory requirements.

iii. 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.

iv. Review reports and disclosures of insider and related person transactions.

v. 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.

vi. Review activities, organizational structure, and qualifications of the internal audit department.

vii. Review, with the organization's counsel, legal compliance matters including corporate securities trading policies.

viii. Review, with the organization's counsel, any legal matter that could have a significant impact on the organization's financial statements.

ix. Perform any other duties to ensure compliance with all applicable laws, regulations and operating standards.

5. **Internal Control Oversight**

i. Review internal controls including financial, business controls and oversee the risk management framework and processes.

ii. 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 Committee consists of only non-Executive Directors and is required to meet at least once a quarter. The Committee met four (4) times during the year under review and membership of the Committee and attendance at its meetings are as follows:

S/N	Names of Directors	Designation	No. of Meetings	Attendance
1.	Mr. Olumide Obayomi	Chairman	4	4
2.	Mr. Brian Kuwik	Member	4	3
3.	Mr. David Kruijff	Member	4	4

Ethics & Governance Committee: The purpose of this Committee is to assist the Board in formulating policies, making decisions and exercising its oversight functions with regards to maintaining the highest standards of corporate governance and ensuring fair and best practices in human resource management as follows:

1. Identification, approval and recommendation of individuals qualified to become members of the Board to the Board of Directors.
2. Develop, update as applicable and make recommendations to the Board on corporate governance principles and policies as applicable to the Company.
3. Monitor compliance with such principles and policies.
4. Identify and make recommendations to the Board for approval on staff welfare, conditions of service, administrative and/or ethical issues as may arise.

The Committee consists of only non-Executive Directors and is required to meet at least once a quarter. The Committee met four (4) times during the year under review and membership of the Committee and attendance at its meetings are as follows:

S/N	Names of Directors	Designation	No. of Meetings	Attendance
1.	Mrs. Habiba Balogun	Chairman	4	4
2.	Mr. Olusegun Aina OFR	Member	4	4
3.	Mrs Nneka Enwereji	Member	4	2
	(Was appointed on 11th June 2016)			

Shareholders' Participation

The Annual General Meeting of the Bank is the highest decision making body. The General Meetings of the Bank are conducted in a transparent and fair manner.

The Board places considerable importance on effective communication with its shareholders and ensures that the rights of shareholders are protected at all times. Notice of meetings and all statutory notices and information are communicated to shareholders regularly.

Shareholders are opportuned to express their opinions on the Bank's financials and other issues affecting the Bank.

Protection of Shareholders' Rights

The Bank ensures the protection of the statutory and general rights of shareholders at all times particularly voting rights at general meetings of the Bank.

All shareholders are treated equally, regardless of volume of shareholding or social status and they have the opportunity to seek and obtain effective redress for violation of their rights in accordance with applicable laws.

AUDIT AND COMPLIANCE COMMITTEE STATEMENT

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004, we have reviewed the Audit Report for the year ended 31 December 2016 and state as follows:

1. The scope and planning of the audit were adequate in our opinion.
2. The accounting and reporting policies of the Company are in accordance with statutory requirements and agreed ethical practices.
3. The internal control was being constantly and effectively monitored.
4. The external auditors' management report received satisfactory response from management.

Olumide Obayomi
Chairman, Audit and Compliance Committee
March, 2017

Members of the Committee
David Kruijff
Brian Kuwik

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

Akintola Williams Deloitte
Civic Towers
Plot GA 1, Ozumba Mbadiwe Avenue
Victoria Island
Lagos
Nigeria

Tel: +234 (1) 904 1700
www.deloitte.com.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 accompanying financial statements of **Accion Microfinance Bank Limited** which comprise the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of **Accion Microfinance Bank Limited** as at 31 December, 2016 and the financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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 Company in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The directors are responsible for the other information. The other information comprises the Chairman's Statement, CEO's Report, Directors' Report, Corporate Governance Report and Sustainability Report which we obtained prior to the date of this auditor's report and the Audit Committee Report, which is expected to be made available to us after that date. The other information 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements
The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

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 Company'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 the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide the Audit Committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee and the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year 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

In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004 we expressly state that:

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

ii) The Company has kept proper books of account, so far as appears from our examination of those books.

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

Engagement Partner: David Achugamonu FCA
FRC/2013/ICAN/00000000840
For: Akintola Williams Deloitte
Chartered Accountants
Lagos, Nigeria
4 April, 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2016 N 000	2015 N 000
Interest and similar income	5	3,823,494	3,198,213
Interest and similar expenses	6	(296,611)	(157,999)
Provision for FX losses	6b	(295,693)	-
Net interest income		**3,231,190**	**3,040,214**
Fees and commission income	7	119,187	90,199
Fees and commission expenses		-	-
Other operating income	8	70,980	70,095
Total Operating Income		**3,421,357**	**3,200,508**
Credit loss expense	9	(466,762)	(346,106)
Impairment losses on financial investments		-	-
Net operating income		**2,954,595**	**2,854,402**
Personnel expenses	10	(1,188,946)	(1,064,487)
Depreciation of property and equipment	19	(111,320)	(100,811)
Amortisation of intangible assets	20	(16,543)	(24,882)
Other operating expenses	11	(937,666)	(825,790)
Total operating expenses		**(2,254,476)**	**(2,015,971)**
Profit before income Tax		**700,120**	**838,434**
Income tax expense	12a	(161,900)	(292,492)
Profit and Loss after Tax		**538,220**	**545,942**
Other comprehensive income		-	-
Earnings per share			
Basic - kobo		44	45

STATEMENT OF FINANCIAL POSITION

	Note	2016	2015
		N 000	N 000
Assets			
Cash and Bank Balances	15	797,851	756,568
Loans and advances	16	5,826,119	5,294,462
Financial investments - held to maturity	17	188,539	177,391
Other assets	18	284,382	241,925
Deferred Tax asset		105,685	-
Property and equipment	19	286,142	293,912
Intangible assets	20	49,372	24,756
Total assets		7,538,090	6,789,014
Liabilities			
Deposits from customers	21	2,013,517	2,120,599
Current tax liabilities	12c	347,914	299,185
Debt issued and other borrowed funds	22	1,177,734	1,087,259
Other liabilities	23	639,280	259,864
Deferred tax liabilities	12	-	21,748
Total liabilities		4,178,445	3,788,654
Equity attributable to owners of the Bank			
Issued share capital	25	1,212,617	1,211,000
Share Premium		4,613	3,513
Statutory reserve	27	1,066,900	932,345
General reserve		1,075,515	853,502
Regulatory Risk reserve	28	-	-
Total equity		3,359,645	3,000,360
Total liabilities and equity		7,538,090	6,789,014

The Financial Statements were approved by the Board of Directors on 30 March, 2017 and signed on its behalf by:

Patrick Akinwuntan
Chairman
FRC/2013/ICAN/00000002861

Bunmi Lawson
Managing Director/CEO
FRC/2013/ICAN/00000002574

Promise Nwankwo
Chief Finance Officer
FRC/2013/ICAN/00000002563

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Issued Share Capital N 000	Share Premium	General Reserve N 000	Regulatory Risk Reserve N 000	Statutory Reserve N 000	Total Equity N 000
As at 1 January 2016	**1,211,000**	**3,513**	**853,502**	**-**	**932,345**	3,000,360
Profit for the year			538,220			538,220
Transfer			(134,555)		134,555	-
Transfer-Regulatory reserve					-	-
Staff Share Option	1,617	1,100				2,717
Dividend			(181,652)			(181,652)
At 31 December 2016	**1,212,617**	**4,613**	**1,075,515**	**-**	**1,066,900**	**3,359,645**

31 December 2015	Issued Share Capital N 000	Share premium	General Reserve N 000	Regulatory Risk Reserve N 000	Statutory reserve N 000	Total equity N 000
As at 1 January 2015	1,206,490	446	538,163	26,532	795,860	2,567,491
Profit for the year			545,941			545,941
Transfer			(136,485)		136,485	-
Transfer-Regulatory reserve			26,532	(26,532)	-	-
Staff Share Option	4,510	3,067				7,577
Dividend			(120,649)			(120,649)
At 31 December 2015	**1,211,000**	**3,513**	**853,502**	**-**	**932,345**	**3,000,360**

STATEMENT OF CASH FLOWS

	Note	2016 N 000	2015 N 000
Operating activities			
Profit before tax		**700,120**	838,434
Adjustment for:			
Depreciation of property and equipment	19	111,320	100,811
Amortisation of intangible assets	19	16,543	24,882
Gain on sale of property and equipment		(487)	(1,051)
Impairment loss on loans		466,762	346,106
		1,294,258	1,309,182
(Increase) in loans and advances		(1,009,976)	(1,675,746)
(Increase) in other assets		(42,456)	(45,349)
Increase/ (decrease) in deposits from customers		(107,082)	698,780
Increase in other liabilities		397,976	51,117
Increase in Share Capital		2,717	7,578
		535,437	**345,561**
Income tax paid	12c	(247,606)	(292,777)
Net cash flows from operating activities		287,831	52,784
Investing activities			
Financial investments- held to maturity		(11,148)	(57,875)
Purchase of property and equipment	19	(104,295)	(182,938)
Purchase of intangible assets	20	(40,676)	(5,485)
Proceeds from sale of property and equipment		747	1,097
Net cash flows from/(used in) investing activities		(155,372)	(245,202)
Financing activities			
Dividend paid		(181,651)	(120,649)
Repayment of debt issued and other borrowed fund	22	20,475	2,695
Other borrowed fund	22	70,000	529,950
Net cash flows from/(used in) financing activities		(91,176)	411,996
Net increase in cash and cash equivalents		41,283	219,578
Cash and cash equivalents at 1 January 2016		756,568	536,990
Cash and cash equivalents at Dec 31st, 2016	**15**	**797,851**	**756,568**

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

2. 1 Basis of preparation

The financial statements of Accion Microfinance Bank Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Fo all periods up to and including the year ended 31 December 2012 the Bank prepared its financial statements in accordance with local generally accepted accounting practice (Local GAAP).

The financial statements have been prepared on a historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Naira (N), and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

(a) Statement of compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretation of this standard by the International Financial Reporting Interpretations Committee (IFRIC). The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied.

(b) Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

(c) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. In come and expenses are not offset in the profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically dis closed in the accounting policies of the Bank.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis ex cept for the revaluation of certain financial instruments as set out in the ac counting policies. Historical cost is generally based on the fair value of the con siderations given in exchange for the assets.

(e) Functional and presentation currency

These financial statements are presented in Nigerian Naira, which is the func tional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of the Bank's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the appliction of policies and reported amounts of revenues, expenses, assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements: The Bank is required to state judgment relating to lease commitments if applicable.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncer tainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Microfinance Bank based its assumptions and estimates on pa rameters available when the financial statements were prepared. Existing circum stances and assumptions about future developments, however, may change due to mar ket changes or circumstances beyond the control of the Bank. Such changes are re flected in the assumptions when they occur. The estimates and underlying assump tions are reviewed on an on-going basis. Revisions to accounting estimates are reognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period, if the revision affects both current and future periods.

Going concern

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the fore seeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Impairment losses on loans and advances

The Bank divides its loan portfolio into significant and insignificant loans based on management approved materiality threshold. The bank also group its risk asset into buck ets with similar risk characteristics (past due status) for the purpose of collective im pairment of insignificant loans and unimpaired significant loans. The Probability of De fault (PD) and the Loss Given Default (LGD) are then computed using historical data from the loan buckets. The PD is adjusted by a Loss Identification Period (LIP) factor.

The Bank reviews its individually significant loans and advances at each state ment of financial-position date to assess whether an impairment loss should be recorded in the profit or loss. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually (and found not to be impaired) are assessed together with all individually insignificant loans and advances in groups of assets with similar risk characteristics. This is to determine whether provi sion should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment of impaired insignificant loans is done with a PD of 100% and the historical LGD adjusted with the LIP factor while the collective assessment of unimpaired insignificant loans and insignificant loans is done with the historical PD and LGD adjusted with the LIP factor.

Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is prob able that future taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be rec ognized, based upon the likely timing and level of future taxable profits, together with fu ture tax-planning strategies.

2.3 Summary of significant accounting policies

The following are the significant accounting policies applied by the Bank in preparing its financial statements:

2.3.1 Foreign currency translation

The financial statements are presented in Nigeria naira (N). Nigeria naira (N) is both the functional and reporting currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded at the spot rate of ex change ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retransl ated at the spot rate of exchange at the reporting date. All differences arising on non–trading activities are taken to other operating income in the profit or loss, with the exception of differences on foreign currency borrowings that provide an effective hedge against a net investment in a foreign entity. These differences are taken directly to equity until the disposal of the net investment, at which time they are recognized in the profit or loss.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non–monetary items measured at fairvalue in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

2.3.2 Financial Instruments – Initial Recognition and subsequent measurement

(i) Date of recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

(iii) Held–to-maturity investments

Held-to-maturity financial investments are non–derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, held to ma turity financial investments are subsequently measured at amortised cost using the EIR less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in Interest and similar income in the profit or loss. The losses arising from impairment of such investments are recognized in the profit or loss account line Credit loss expense.

If the Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity (other than in certain specific circumstances), the entire category would have to be reclassified as available-for-sale. Furthermore, the Bank would be prohibited from classifying any finan cial assets as held to maturity during the following two years.

The Bank's held to maturity financial assets in the company are investments in treasury bills having tenor of more than Ninety days issued by Federal Gov ernment of Nigeria.

(iv) Loans and advances

Loans and advances include non–derivative financial assets with fixed or deter minable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss;
- Those that the Bank, upon initial recognition, designates as available-for-sale;
- Those for which the Bank may not recover substantially all of its initial invest ment, other than because of credit deterioration.

After initial measurement, amounts due from Loans and advances are subsequently measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in Interest and similar income in the Profit or loss. The losses arising from impairment are recognized in the Profit or loss in Credit loss expense.

(v) Debt issued and other borrowed funds

Financial instruments issued by the Bank that are not designated at fair value through profit or loss are classified as liabilities under Debt issued and other borrowed funds, where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another finan cial asset for a fixed number of own equity shares.

After initial measurement, debt issued and other borrowings are subsequently mea sured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the Effective Interest Rate (EIR).

2.3.3. De-recognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- The rights to receive cash flows from the asset have expired or;
- The Bank retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
- The Bank has transferred substantially all the risks and rewards of the asset or
- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Bank has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is re placed by another from the same lender on substantially diffferent terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recog nition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2.3.4 Impairment of financial assets

The Bank assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recog nition of the asset (an incurred 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or prin cipal payments, the probability that they will enter bankruptcy or other financial reor ganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost (such as loans and advances to customers and staff as well as held-to- maturity investment), the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of Interest and similar income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by ad justing the allowance account. If a future write–off is later recovered, the recovery is credited to the 'Credit loss expense'. The present value of the estimated future cash flows is discounted at the financial asset's original Effective Interest Rate (EIR).

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of past-due status, which takes into consideration the credit risk characteristics.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

With respect to loans and advances, the provisioning determined under IFRS as stated above is compared with the prudential provision requirement of the Central Bank of Nigeria's Regulatory and Supervisory Framework for Microfinance Banks Guideline.

Where the:

- Prudential Provision is greater than IFRS Provisions; the difference is transferred from the Retained earnings to a non – distributable reserve.
- Prudential Provision is less than IFRS Provisions, the excess charge resulting is transferred from the Regulatory risk reserve to Retained earnings to the extent of the non-distributable reserve previously recognised

2.3.5 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.3.6 Leasing

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases that do not transfer to the Bank substantially all the risks and benefits inciden tal to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

To date, all leases entered into by the Bank are operating leases.

2.3.7 Recognition of income and expenses

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific rec ognition criteria must also be met before revenue is recognised:

i) Interest and similar income and expense

For financial instruments measured at amortised cost, interest income or ex pense is recorded using the effective interest rate (EIR). EIR is the rate that ex actly discounts estimated future cash payments or receipts through the expect ed life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

The calculation takes into account all contractual terms of the financial instru ment and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest and similar income' for financial assets and Interest and similar expense for financial liabilities. However, for a reclassified financial asset for which the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Building A Brighter Future

NOTES TO THE FINANCIAL STATEMENTS

(ii) Fees and commission income

The Bank earns fees and commission income from insuring its loans and advances given to customers and Commission on Turnover (COT).

2.3.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.9 Property and equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methods as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives.

The estimated useful lives are as follows:

- Leasehold improvement - Over the shorter of lease term or estimated useful life
- Furniture and fittings - 5 years
- Machinery and equipment - 5 years
- Motor vehicles - 4 years
- Computers and accessories - 3 years

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other operating income in the profit or loss in the year the asset is derecognized.

2.3.10 Intangible assets

The Bank's other intangible assets include the value of computer software. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. Fol lowing initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embod ied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the Profit or loss.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows: Computer software - 3 years

2.3.11 Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recov erable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fairvalue less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their pres ent value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborat ed by valuation multiples or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the as set's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in Profit or loss.

2.3.12 Pension benefits

Defined contribution pension plan

The Bank operates a defined contribution plan in line with the provisions of the Pension Reform Act 2014. This plan is in proportion to the services rendered to the Bank by the employees with no further obligation on the part of the Bank.
The Bank and its employees each contribute 10% and 8% of employees' current salaries and designated allowances to the scheme. Staff contributions to the scheme are funded

through payroll deductions while the bank's contribution is recorded as personnel ex penses in the profit or loss. Unpaid contributions are recorded as a liability.

2.3.13 Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision, net of any reimbursement is presented in the profit or loss net of any reimbursement.

2.3.14 Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except;

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiary where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiary, deferred tax assets are recognized only to the extent that it is prob able that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realise or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.16 Dividend on ordinary shares

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.

Dividend for the year that are approved after the reporting date are disclosed in the financial statements as a non-adjusting event.

2.3.17 Equity and reserves

The reserves recorded in equity on the Bank's statement of financial position include:

Statutory reserve: The Bank is required under the Regulatory and Supervisory Guide lines 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 fol lowing 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 per cent 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 per cent of the net profit for the year is made. At present, the Bank transfers an appropriation of 50 per cent of the net profit to statutory reserve.

3.0 Application of new and revised international financial reporting standards IFRS)

3.1 New standards and amendments that will be effective for reporting period that begin 1 January 2016

A number of standards, interpretations and amendments thereto, had been issued by the IASB which are effective but do not impact on these financial statements as summarised in the table below:

IFRS	Effective date	Subject of standard/amendment
IFRS 14 Regulatory Deferral Accounts	1 January 2016	IFRS 14 specifies the accounting for regulatory deferral account balances that arise from rate-regulated activities. The Standard is available only to first-time adopters of IFRSs who recognised regulatory deferral account balances under their previous GAAP. IFRS 14 permits eligible first-time adopters of IFRSs to continue their previous GAAP rate-regulated accounting policies, with limited changes, and requires separate presentation of regulatory deferral account balances in the statement of financial position and statement of profit or loss and other comprehensive income. Disclosures are also required to identify the nature of, and risks associated with, the form of rate regulation that has given rise to the recognition of regulatory deferral account balances. This standard does not impact on the financial statements as the Company does not provide services subject to rate regulation and in addition, the Company has applied IFRS 1 in prior year when converting to IFRS.
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	Effective for annual periods beginning on or after 1 January 2016	The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 12 Income Taxes regarding recognition of deferred taxes at the time of acquisition and IAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied.

IFRS	Effective date	Subject of standard/amendment
		The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)	Effective for annual periods beginning on or after 1 January 2016	The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances: a) when the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to explore and extract gold from a gold mine. The expiry of the contract might be based on a fixed amount of total revenue to be generated from the extraction and not be based on time or on the amount of gold extracted. Provided that the contract specifies a fixed total amount of revenue to be generated on which amortisation is to be determined, the revenue that is to be generated might be an appropriate basis for amortising the intangible asset; or b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. Based on the assessment, it was noted that none of its intangible assets or property, plant and equipment are being amortised or depreciated based on revenue

IFRS	Effective date	Subject of standard/amendment
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	Effective for annual periods beginning on or after 1 January 2016	The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment. For the purpose of bringing bearer plants from the scope of IAS 41 into the scope of IAS 16 and therefore enabling entities to measure them at cost subsequent to initial recognition or at revaluation, a definition of a 'bearer plant' is introduced into both standards. A bearer plant is defined as a living plant that: i. is used in the production or supply of agricultural produce; ii. is expected to bear produce for more than one period; and iii. has a remote likelihood of being sold as agricultural produce, except for incidenal scrap sales. The scope sections of both standards are then amended to clarify those biological assets except for bearer plants are accounted for under IAS 41 while bearer plants are accounted for under IAS 16.
Equity Method in Separate Financial Statements (Amendments to IAS 27)	Effective for annual periods beginning on or after 1 January 2016	The amendments reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements at cost, in accordance with IFRS 9 Financial Instruments (or IAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted IFRS 9), or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. This standard does not impact the financial statements as the Company is not a group.

IFRS	Effective date	Subject of standard/amendment
Disclosure Initiative (Amendments to IAS 1)	Effective for annual periods beginning on or after 1 January 2016	The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. Disclosure Initiative (Amendments to IAS 1) makes the following changes: **i. Materiality:** The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply. **ii. Statement of financial position and statement of profit or loss and other comprehensive income:** The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss. **iii. Notes:** The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful

IFRS	Effective date	Subject of standard/amendment
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	Effective for annual periods beginning on or after 1 January 2016	The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. Investment Entities: The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value. It also states that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. In addition, when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries. In addition, an investment entity measuring all of its subsidiaries at fair value must provide the disclosures relating to investment entities as required by IFRS 12.

Annual Improvements to IFRSs 2012 - 2014 Cycle

(Effective for annual periods beginning on or after 1 January 2016, except as detailed below)

The Annual Improvements include amendments to a number of IFRSs, which have been summarised below.

Standard	Subject of amendment	Details
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Changes in methods of disposal.	The amendment introduces specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendment clarifies that such a change is considered as a continuation of the original plan of disposal and accordingly an entity should not apply paragraphs 27-29 of IFRS 5 regarding changes to a plan of sale in those situations.
IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1)	(i) Servicing contracts (ii) Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements	The amendment provides additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets. Also, the amendment clarifies that the offsetting disclosures are not specifically required for all interim periods. However, the disclosures may need to be included in the condensed interim financial statements to satisfy the requirements in IAS 34 Interim Financial Reporting.
IAS 19 Employee Benefits	Discount rate: regional market issue	The amendment clarifies that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The basis for conclusions to the amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level which is consistent with the currency in which the benefits are to be paid. For currencies for which there is no deep market in such high quality bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency should be used

3.2 New and revised IFRSs that are not mandatorily effective (but allow early applica tion) for the year ended 31 December 2016

Below is a list of new and revised IFRSs that are not yet mandatorily effective (but al low early application) for the year ended 31 December 2016:

i. IFRS 9 Financial Instruments;
ii. IFRS 15 Revenue from Contracts with Customers;
iii. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
iv. IFRS 16 Leases
v. Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Loses
vi. Amendments to IAS 7 Additional disclosure on changes in financing activities
vii. Amendments to IFRS 2 Classification and Measurement of Share-based Pament Transactions
viii. Amendments to IFRS 4 upon applying IFRS 9

3.2.1 IFRS 9 Financial Instruments

(Effective for annual periods beginning on or after 1 January 2018)
In July 2014, the IASB finalised the reform of financial instruments accounting and is sued IFRS 9 (as revised in 2014), which contains the requirements for a) the classifica tion and measurement of financial assets and financial liabilities, b) impairment methodology, and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.

Phase 1: Classification and measurement of financial assets and financial liabilities
With respect to the classification and measurement, the number of categories of finan cial assets under IFRS 9 has been reduced; all recognised financial assets that are cur rently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value under IFRS 9. Specifically:

- a debt instrument that (i) is held within a business model whose objective is to collect the contractual cash flows and (ii) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss (FVTPL) under the fair value option.

- a debt instrument that (i) is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets and (ii) has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstand ing, must be measured at FVTOCI, unless the asset is designated at FVTPL under the fair value option.

- all other debt instruments must be measured at FVTPL.

- all equity investments are to be measured in the statement of financial position at fair value, with gains and losses recognised in profit or loss except that if an equity investment is not held for trading, an irrevocable election can be made at initial recognition to measure the investment at FVTOCI,with dividend income recognised in profit or loss.

IFRS 9 also contains requirements for the classification and measurement of financial liabilities and derecognition requirements. One major change from IAS 39 relates to the presentation of changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of that liability. Under IFRS 9, such changes are presented in other comprehensive income, unless the presentation of the effect of the change in the liability's credit risk in other comprehensive income would create or en large an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability desig nated as FVTPL is presented in profit or loss.

Phase 2: Impairment methodology
The impairment model under IFRS 9 reflects expected credit losses, as opposed to in curred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition.

Phase 3: Hedge accounting
The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The work on macro hedging by the IASB is still at a preliminary stage - a discussion paper was issued in April 2014 to gather preliminary views and direction from constit uents with a comment period which ended on 17 October 2014. The project is under redeliberation at the time of writing.

Transitional provisions
IFRS 9 (as revised in 2014) is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. If an entity elects to apply IFRS 9 early, it must apply all of the requirements in IFRS 9 at the same time, except for those relating to:

1. the presentation of fair value gains and losses attributable to changes in the credit risk of financial liabilities designated as at FVTPL, the requirements for which an entity may early apply without applying the other requirements in IFRS 9; and

2. hedge accounting, for which an entity may choose to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9.

An entity may early apply the earlier versions of IFRS 9 instead of the 2014 version if the entity's date of initial application of IFRS 9 is before 1 February 2015. The date of initial application is the beginning of the reporting period when an entity first applies the re quirements of IFRS 9.

IFRS 9 contains specific transitional provisions for i) classification and measurement of financial assets; ii) impairment of financial assets; and iii) hedge accounting. Please see IFRS 9 for details.

3.2.2 IFRS 15 Revenue from Contracts with Customers
(Effective for annual periods beginning on or after 1 January 2018)
IFRS 15 establishes a single comprehensive model for entities to use in accounting for r evenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date:

- IAS 18 Revenue;
- IAS 11 Construction Contracts;
- IFRIC 13 Customer Loyalty Programmes;
- IFRIC 15 Agreements for the Construction of Real Estate;
- IFRIC 18 Transfers of Assets from Customers; and
- SIC 31 Revenue-Barter Transactions Involving Advertising Services.

As suggested by the title of the new revenue Standard, IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration.

Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recogni tion and Measurement (or IFRS 9 Financial Instruments, if IFRS 9 is early adopted).

As mentioned above, the new revenue Standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise rev enue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The new revenue Standard introduces a 5-step approach to revenue recognition and measurement:

Step 1:	Identify the contract with a customer
Step 2:	Identify the performance obligations in the contract
Step 3:	Determine the transaction price
Step 4:	Allocate the transaction price to the performance obligations in the contract
Step5:	Recognize revenue when (or as) the entity satisfies a performance obligation.

Far more prescriptive guidance has been introduced by the new revenue Standard:

- Whether or not a contract (or a combination of contracts) contains more than one promised good or service, and if so, when and how the promised goods or services should be unbundled.

- Whether the transaction price allocated to each performance obligation should be recognised as revenue over time or at a point in time. Under IFRS 15, an entity recognises revenue when a performance obligation is satisfied, which is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Unlike IAS 18, the new Standard does not include separate guidance for 'sales of goods' and 'provision of services'; rather, the new Standard requires entities to assess whether revenue should be recognised over time or a particular point in time regardless of whether revenue relates to 'sales of goods' or 'provision of services'.

- When the transaction price includes a variable consideration element, how it will affect the amount and timing of revenue to be recognised. The concept of variable consideration is broad; a transaction price is considered variable due to discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties and contingency arrangements. The new Standard introduces a high hurdle for variable consideration to be recognised as revenue – that is, only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

- When costs incurred to obtain a contract and costs to fulfil a contract can be recognised as an asset.

3.2.3 Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10. Consequential amendments have also been made to IAS 28 to clarify that

the exemption from applying the equity method is also applicable to an investor in an associate or joint venture if that investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value.

The amendments further clarify that the requirement for an investment entity to con solidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

Moreover, the amendments clarify that in applying the equity method of accounting to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

Lastly, clarification is also made that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in Other Entities.
The amendments apply retrospectively for annual periods beginning on or after 1 January 2016 with earlier application permitted.

3.2.4 IFRS 16 Leases

IFRS 16 Leases was issued, it specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Effective date of this standard is 1 January 2018

3.2.5 Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

IAS 12 Income Taxes was amended to clarify the following aspects: Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future tax able profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utiliza tion of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Effective date of the amendment is 1 January, 2017

3.2.6 Amendments to IAS 7 Additional disclosure on changes in financing activities

IAS 7 was amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

3.2.7 Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

IFRS 2 was amended to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Effective date is 1 January 2018

3.2.8 Amendments to IFRS 4 upon applying IFRS 9

IFRS 4 Insurance Contracts was amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

i. an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
ii. an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied. Overlay approach to be applied when IFRS 9 is first applied.

4.0 Fair Value of the financial assets and liabilities

Set out below is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	31-Dec-16		31-Dec-15	
	Carrying amount N 000	Fair value N 000	Carrying amount N 000	Fair value N 000
Financial assets				
Cash and cash equivalents	797,851	797,851	756,568	756,568
Loans and advances	5,826,119	5,826,119	5,294,462	5,294,462
Financial investments- held to maturity	188,539	188,539	177,391	177,391
	6,812,509	6,812,509	6,228,421	6,228,421
Financial liabilities				
Deposits from customers	2,013,517	2,013,517	2,120,599	2,120,599
Debt issued and other borrowed funds	1,177,734	1,177,734	1,087,259	1,087,259
	3,191,251	3,191,251	3,207,858	3,207,858

Fair value of financial assets and liabilities not carried at fair value
Below are the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of staff loans is based on discounted cash flows using prime-lending interest rates stated on the Central Bank of Nigeria website. For fixed interest-bearing deposits, fair value is based on discounted cash flows using prevailing money–market interest rates for debts with similar credit risk and maturity.

		2016 N 000	2015 N 000
5.	**Interest and similar income**		
	Cash and cash equivalents	88,074	61,256
	Loans and advances	3,716,854	3,118,891
	Financial investments- held to maturity	18,566	18,066
		3,823,494	**3,198,213**
6.	**Interest and similar expenses**		
	Deposits from customers	94,243	66,505
	Debt issued and other borrowed funds	202,368	91,494
		296,611	**157,999**
6b.	**Provision for FX losses on Foreign Loan**	**295,693**	**-**
7.	**Fees and commission income**		
	Insurance fees	105,181	88,217
	commission on Turnover	14,006	1,982
		119,187	**90,199**
8.	**Other operating income**		
	Other fees	70,494	69,044
	Profit on sale of property and equipment	486	1,051
		70,980	**70,095**
9	**Credit loss expense**		
	Loans and advances to customers	478,319	356,550
	Bad debt recovered	(11,557)	(10,444)
		466,762	346,106
10.	**Personnel expenses**		
	Salaries and allowances	1,107,683	994,737
	Pension costs- defined contribution plan	81,263	69,751
		1,188,946	**1,064,487**

		Note	2016 N 000	2015 N 000
11.	**Other operating expenses**			
	Rents charges payable under operating leases		108,654	84,988
	Repairs and maintenance		89,195	66,399
	Contract and support services		13,411	11,053
	Professional fees and Legal	11a	28,454	29,501
	Directors fees		2,481	3,167
	Audit fees		9,975	9,833
	Insurance expenses		67,698	49,698
	Other consulting and training expenses		62,335	31,000
	Communication expenses		17,366	20,098
	Trainee allow. and recruitment exp.		76,556	70,689
	System support expenses		61,867	49,148
	NITDA levy	11b	7,001	8,384
	Medical expenses		101,173	84,398
	Others utilities		33,396	31,441
	Training and travels		69,105	70,135
	Other Stationery expense		23,856	22,579
	Advertisement expenses		27,381	56,430
	Security		31,774	26,099
	Telephone office		25,864	25,529
	Bank charges		22,444	7,567
	Branded promotional items		7,957	17,003
	Recovery expenses		1,013	1,497
	Office tea provisions		2,765	9,419
	Other expenses		25,269	39,735
	Exchange gain realised		20,676	-
			937,666	**825,789**

11a Professional fees include fees payable for the Legal fees, Tax and other consultancy services.

11b The levy is not within the scope of IAS 12 Income taxes. The Bank considers the levy to be operational in nature and has accrued the cost within other operating expenses.

		2016 N 000	2015 N 000
12.	**Income tax**		
a	Current income tax:		
	Company income tax	267,096	249,535
	Education tax	22,237	19,911
	Deferred income tax	(127,433)	23,046
	Income tax expense reported in the profit or loss account	**161,900**	**292,492**
b	**Reconciliation of the total tax charge**		
	Accounting profit before tax	**700,120**	**838,434**
	At Nigeria's statutory income tax rate of 30% (2016)	267,096	249,535
	Income not subject to tax	-	-
	Deferred tax Assets and other Tax adjustments	(127,433)	23,046
	Tax impact of balancing charge		
	Education tax	22,237	19,911
	Tax effect of the difference in profit used	-	-
	Income tax expense reported in the profit or loss account	**161,900**	**292,492**

The effective income tax for 2016 is 23.13%

		2016 N 000	2015 N 000
b	**Deferred tax-Liability**		
	Opening balance as of 1 January	21,748	-
	Transfer to other assets	105,685	(1,298)
	Tax income/(expense) during the period	(127,433)	23,046
	Closing balance as at 31 December 2016	**-**	**21,748**
	Statement of profit or loss and other comprehensive income		
	Accelerated depreciation for tax purpose		
	Allowances for loan losses		
	Other temporary differences		
	Deferred tax expense	-	-

		2016 N 000	2015 N 000
c	**Statement of financial position**		
	Accelerated depreciation for tax purpose		
	Impairment allowance for loans		
	Other temporary differences		
	Net deferred tax liabilities	-	-
	Reconciliation of current tax liabilities		
	Opening balance at 1 January 2016	299,185	314,131
	NITDA	7,001	8,384
	Tax charge in the statement of profit or loss	289,334	269,447
		595,520	591,962
	Payment during the year	(247,606)	(292,777)
	Closing balance at 31 December-16	**347,914**	**299,185**

13. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to owners of Accion Microfinance Bank Limited by the weighted average number of ordinary shares outstanding during the year.

	2016 N 000	2015 N 000
Net profit attributable to owners of the Bank	**538,220**	**545,942**
	N 000	N 000
Weighted average number of shares in issue	1,212,617	1,211,438
Basic earnings per share (kobo)	44.38	45.07

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements which would require the restatement of earnings per share.

		2016 N 000	2015 N 000
14.	**Dividend paid and proposed**		
	Dividends on ordinary shares:	272,839	181,650
	Final dividend for 2016: 22.5 kobo per share	**272,839**	**181,650**

	2016 N 000	2015 N 000
15. Cash and Bank balances		
Cash on hand	80,856	42,035
Cash at banks	256,180	107,546
Placements with banks and discount houses	459,000	604,192
Interest receivable on placements with banks	1,815	2,795
	797,851	**756,568**

Cash at banks earns interest at fixed rates based on the bank deposit rates. Placements with banks and discount houses 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

	2016 N 000	2015 N 000
16. Loans and advances		
Loans and advances to customers	6,386,487	5,584,531
Loans and advances - Pending Insurance claims	10,472	5,888
Loans and advances to staff	72,252	83,398
	6,469,211	**5,673,817**
Allowance for impairment losses	(643,092)	(379,355)
	5,826,119	**5,294,462**
16b Maturity analysis of loans and advances by past-due status		
Performing	5,516,960	4,992,261
1 - 30 days	277,175	326,364
31- 60 days	111,529	72,098
61-90 days	49,752	42,689
91 and above	513,795	240,405
	6,469,211	5,673,817
Individual Impairment	(85,180)	34,825)
Collective impairment	(557,912)	(344,531)
	5,826,119	**5,294,462**
16c Impairment allowance for loans and advances		
At 1 January 2016	379,355	243,779
Charge for the year	478,319	356,550
Recoveries	(11,557)	(10,444)
Amounts written off	(203,025)	(210,528)
At 31 December 2016	**643,092**	**379,357**
Individual impairment	85,180	34,825
Collective impairment	557,912	344,532
	643,092	**379,357**

Gross amount of loans individually determined to be impaired, before deducting the individually assessed impairment allowance.

	2016 N 000	2015 N 000
17. Financial investments- held to maturity		
Treasury bills	-	-
Maturing within 91 days	188,539	177,391
Maturing after 91 days	-	-
	188,539	**177,391**

Treasury bills are debt securities issued by the Federal Government of Nigeria at effective rate of 15.8% (2015: 10.03%)

	2016 N 000	2015 N 000
18. Other assets		
Prepayments	216,745	204,307
Consumables	30,861	23,071
Other receivables	38,775	18,100
	286,382	245,478
18b Allowance for impairment losses on other assets	(2,000)	(3,553)
	284,382	**241,925**
18c Deferred Tax asset		
At 1 January 2016	-	-
Charge during the Year	105,685	-
At 31 December 2016	**105,685**	**-**
18d Impairment allowance for other assets		
At 1 January 2015	3,553	
At 31 December 2015	**3,553**	
At 1 January 2016	**3,553**	
Recoveries	**(1,553)**	
At 31 December 2016	**2,000**	

19. Property and equipment

Cost	Leasehold improvements N 000	Machinery and equipment N 000	Computer and accessories N 000	Furniture and fittings N 000	Motor vehicles N 000	Total N 000
At 1 January 2016	140,696	126,536	221,131	100,165	84,875	673,402
Additions	23,312	cg21,932	41,274	9,276	8,500	104,295
Disposals –Transfer			(367)		(4,050)	(4,417)
At 31 December 2016	**164,008**	**148,468**	**262,038**	**109,441**	**89,325**	**773,280**
Depreciation						
At 1 January 2016	78,614	60,737	150,254	51,559	38,809	379,973
Depreciation charge for the year	21,113	23,004	31,542	16,776	18,885	111,320
Depreciation on disposals			(105)		(4,050)	(4,155)
At 31 December 2016	**99,727**	**83,741**	**181,691**	**68,334**	**53,645**	**487,138**
Net book value						
At 31 December 2016	64,281	64,727	80,346	41,107	35,681	286,142
At 1 January 2016	62,081	65,799	70,877	48,606	46,066	293,912

No property and equipment has been pledged as security for liabilities (2016: None).

20. Intangible assets

	Computer N 000
Cost	
At 1 January 2016	139,223
Additions	40,676
At 31 December 2016	**179,899**
Amortisation	
At 1 January 2016	113,984
Amortisation charge for the year	16,543
At 31 December 2016	**130,527**
Net book value	
At 31 December 2016	49,372
At 1 January 2016 NBV	24,756

21. Deposits from customers

	2016 N 000	2015 N 000
Saving accounts	1,562,682	1,420,592
Current accounts	61,818	49,010
Term and call deposits	379,210	637,843
	2,003,711	2,107,445
Interest payable on saving accounts	80	15
Interest payable on term deposits	9,726	13,139
	2,013,517	**2,120,599**

22. Debt issued and other borrowed funds

	2016 N 000	2015 N 000
Undated floating rate debt issued	1,129,500	1,059,500
Interest payable on undated floating rate debt issued	48,234	27,759
	1,177,734	**1,087,259**
MSME Direct Funding CBN	429,000	259,000
Interest on MSME Direct Funding	9,847	4,074
	438,847	**263,074**

This is the MSME development fund from Central Bank of Nigeria with a 1 year tenor at the rate of 2% per annum. The maturity date is December 2017. The maximum lending rate is 9% per annum.

	2016 N 000	2015 N 000
Borrowing from IFC	300,000	400,000
Interest on Borrowing	5,858	2,986
	305,858	**402,986**

This is a 5-year Term Loan Facility taken in 2015 from IFC (international Finance Corporation) at the rate of 17.6% and 18.5% per annum. The Loan is repayable half yearly with a terminal date of 2019.

	2016 N 000	2015 N 000
Borrowing from REGMIFA	400,500	400,500
Interest on Borrowing	32,526	20,698
	433,027	**421,198**

This is a 3-year Term Loan taken from REGMIFA (Regional Funds for Sub-Saharan Africa) at the rate of 16.70% -17.6%. The Loan was due for repayment in 2016 but FX could not be procured for the repayment due to scarcity. The Loan was taken in 2013. As at the time of this report, a roll-over arrangement was being negotiated.

		2016	2015
		N 000	N 000
23.	**Other liabilities**		
	Accrued expenses	71,791	98,799
	Accounts payable and sundry creditors	549,052	139,564
	Post-employment pension (defined contribution)	-	-
	Due to Accion International	18,437	21,499
		639,280	**259,864**

23b The information technology development levy represents 1% of profit for the year in accordance with section 12(2a) of National Information Technology Development Act (NITDA) 2007; **= N7.001 million (2015: N8.40 m)**

24. Retirement benefit plan

Defined contribution plan: A defined contribution plan is a pension plan under which the Bank pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Bank in a fund under the control of trustees.

The total expense charged to income is N81.263 million in 2016 (2015: N69.751 million) represents contributions payable to these plans by the Bank at rates specified in the rules of the plan.

		2016	2015
		N 000	N 000
25.	**Issued capital and reserves**		
	Authorised		
	Ordinary shares of N1 each	**1,240,000**	**1,240,000**
	Ordinary shares		
	Issued and fully paid		
	At 1 January 2016	1,211,000	1,206,490
	Share Option 2016 subscribed	1,617	4,510
	At 31 December 2016	**1,212,617**	**1,211,000**

26. Employee investment scheme

The Bank has share option scheme under which option to subscribe for its shares has been granted to certain qualifying members of staff with IBTC Trustees as the custodian. As at 31 December 2016, a total of 6,783,800 shares (2015: 5,166,800) have been subscribed by some qualifying staff members of staff under the option.

		2016	2015
27.	**Nature and purpose of reserves**	**N 000**	**N 000**
	Statutory Reserve		
	At 1 January 2016	932,345	795,860
	Statutory Reserve 2016	134,555	136,485
	At December 31st 2016	**1,066,900**	**932,345**

Microfinance Bank is required to make an appropriation to a statutory reserve. As stipulated by section 8.1.7 Central Bank of Nigeria Revised Regulatory & Supervisory Guidelines for Microfinance Banks (MFBs) in Nigeria an appropriation of the following:

- Where the amount of the MFB's reserve fund is less than 50 per cent of its paid-up capital, an amount which shall not be less than 50 per cent of the MFB's net profit for the year;
- Where the amount of the MFB's reserve fund is 50 per cent or more, but less than 100 per cent of its paid up capital, an amount which shall not be less than 25 per cent of the MFB's net profit for the year; or
- Where the amount of the MFB's reserve fund is equal to 100 per cent or more of its paid up capital, an amount equal to 12.5 per cent of the MFB's net profit for the year.

28. Regulatory Risk Reserve

This is a reserve that arose by comparing impairment of risk asset under IFRS and provisions for the risk asset using CBN prudential Guideline. Where the impairment under IFRS is lower than the provision amount under Prudential Guideline, the IFRS impairment figures is recognized in the profit or loss account.

29. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	Within 12 months N 000	After 12 months N 000	Total N 000
At 31 December 2016			
Assets			
Cash and cash equivalents	797,851		797,851
Loans and advances	5,826,119		5,826,119
Financial investments - held to maturity	188,539		188,539
Other assets	284,382		284,382
Deferred Tax asset	105,685		105,685
Property and equipment		286,142	286,142
Intangible assets		49,372	49,372
Total assets	**7,202,576**	**335,514**	**7,538,090**
Deposits from customers	2,013,517		2,013,517
Debt issued	871,874	305,860	1,177,734
Current tax liabilities	347,914		347,914
Other liabilities	639,280		639,280
Deferred tax liabilities	-		-
Total liabilities	**3,872,585**	**305,860**	**4,178,445**
Net	**3,329,991**	**29,654**	**3,359,645**

	Within 12 months N 000	After 12 months N 000	Total N 000
At 31 December 2015			
Assets			
Cash and cash equivalents	756,568		756,568
Loans and advances	5,294,462		5,294,462
Financial investments - held to maturity	177,391		177,391
Other assets	241,925		241,925
Deferred Tax asset			-
Property and equipment		293,912	293,912
Intangible assets		24,756	24,756
Total assets	6,470,346	318,668	**6,789,014**
Liabilities			
Deposits from customers	2,120,599		2,120,599
Debt issued		1,087,259	1,087,259
Current tax liabilities	299,185		299,185
Other liabilities	259,864		259,864
Deferred tax liabilities	21,748		21,748
Total liabilities	2,701,396	1,087,259	**3,788,655**
Net	3,788,950	(768,591)	**3,000,359**

30 Contingent liabilities

The bank in the ordinary course of the business is presently involved in some litigation suits instituted against third party by and on behalf of the bank. The directors are of the opinion that the aforementioned cases are not likely to have a material adverse effect on microfinance bank and are not aware of any other pending or threatened claims and litigations or any other contingent liability

31 Related party disclosures

	2016	2015
	N 000	N 000
Compensation of key management personnel of the Bank		
Short-term benefits	140,514	133,305
Post-employment pension (defined contribution)	-	-
	140,514	133,305

The non–executive directors do not receive salaries or pension entitlements from the Bank.

Transaction with other related parties

Entities with significant influence over the Bank:

	Interest from related parties N'000	Interest to related parties N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
At 31 Dec 2016	-	-	-	18,437
	-	-	-	-
At 1 January 2016	-	-	-	21,499

Terms and conditions of transactions with related parties

The above-mentioned outstanding balances arose from the ordinary course of business. The interest rates charged to and by related parties are at normal commercial rates. Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Bank has not made any provision for doubtful debts relating to amounts owed by related parties (2016: N Nil).

Owners of the Bank

Name of shareholder	Country of incorporation	Number of shares	Percentage of shares held
Accion Investments in Microfinance Nigeria	Cayman	443,184,162	35.77
Citibank Nigeria Limited	Nigeria	246,555,669	19.90
Ecobank Nigeria Limited	Nigeria	269,225,436	21.73
International Finance Corporation (IFC)		156,010,382	12.59
Zenith Bank Plc	Nigeria	90,858,036	7.33
Stanbic IBTC Trustees	Nigeria	6,783,800	0.55
		1,212,617,485	**97.88**
Issued but unpaid		26,255,486	2.12
		1,238,872,971	**100**

32 Capital

The Bank maintains an actively managed capital base to cover risks inherent in the business and meet the capital adequacy requirements of the local banking supervisor, the Central Bank of Nigeria. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on banking Supervision (BIS rules/ratios) and adopted by the Central bank of Nigeria in supervising the bank. During the past year, the Bank had complied in full with all its externally imposed capital requirements.

Capital Management

The primary objectives of the Bank's capital management policy are to ensure that the Bank complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maxi mize shareholder value. The Bank manages its capital structure and makes adjust ments to it according to changes in economic conditions and the risk characteristics of its activities.

No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

	2016	2015
	N 000	N 000
Tier 1		
Issued share capital	1,212,617	1,211,000
Share Premium	4,613	3,513
Retained earnings	538,220	545,942
General Reserve	671,851	444,045
Statutory reserve	932,345	795,860
Regulatory Risk reserve	-	-
Total Qualifying tier 1 Capital	3,359,645	3,000,360
Tier 2		
Debt issued and other borrowed funds	1,177,734	1,087,259
Total Qualifying tier 2 Capital	1,177,734	1,087,259

33 Events after reporting period

i) Number of employees other than Directors in receipt of emoluments within the following ranges:

			2016	2015
			Numbers	Numbers
100,000	-	500,000	175	222
500,001	-	1,000,000	422	344
1,000,001	-	2,000,000	197	144
2,001,001	-	3,000,000	50	48
3,000,001	-	4,000,000	10	10
4,000,001	-	5,000,000	11	10
Over 5,000,001			19	19
			884	797

ii) The average number of persons employed in the year were as follows;

	2016	2015
Managerial	29	29
Other Staff	855	768
	884	**797**

Chairman and other Directors emoluments	2016 N 000	2015 N 000
Fees	1,080	1,250
Other Directors emoluments	-	
Other emoluments	1,401	1,915
Director	28,819	17,671
	31,300	20,836
Chairman	450	450
Highest paid Director	28,819	17,671
	29,289	18,121

Staff Cost	**2016 N 000**	**2015 N 000**
Salaries and Allowances	1,107,683	994,737
Pension	81,263	69,750
	1,188,946	**1,064,487**

The emoluments of other Directors fell with the following ranges:	**Number**	**Number**
200,000 - 500,000	7	7
Over 500,000	1	1
	8	**8**

Risk Management policy

Introduction

Risk is an integral part of financial services. When financial institutions issue loans, there is a risk of borrowers' default. In addition to credit risk, there are other forms of risks such as operational risk, market risk, reputational risk, country/political risk etc. Risk can neither be completely avoided nor should it be ignored. Absence of risk management could lead to financial losses, which will ultimately prevent Accion Microfinance Bank Limited (Accion MfB) from achieving her objectives.

Over the past few years, Accion MfB has expanded, introduced new products and continues to be a major microfinance institution within the financial market in Lagos and other four states, which include Rivers, Ogun, Oyo and Anambra States. In addition, the environment for microfinance in Nigeria has changed significantly in the past few years, with a strong focus on customer protection, reputational risk, and good governance. Hence, Accion MfB has set up a full-fledged risk and compliance management department that identifies various stakeholders responsible to identify and manage the risks facing the institution.

This document outlines the structure of the risk and compliance management department within Accion MfB. It also identifies the major stakeholders in the risk management process at Accion MfB and defines the roles and responsibilities of these stakeholders.

Objectives and scope for the Risk Control and Compliance Department at Accion MfB

The main objectives of the Risk Control and Compliance Department at Accion MfB are:

- To identify, measure and prioritize the risks, which Accion MfB is exposed to.
- To help Accion MfB reduce risk levels and keep risk exposure within the set limits.
- To establish a risk management culture which enables all departments to take and manage risks in line with business objectives.
- To define and implement methodologies to guarantee compliance with internal policies and external requirements and regulations.

The Risk Management Department is responsible for managing the following types of risk:

- Operational risk
- Credit risk
- External compliance risk (CBN and regulatory compliance)
- Internal Control and compliance
- Financial risk (in conjunction with Finance Department via ALCO)

Structure of the Risk Control and Compliance Department at Accion MfB

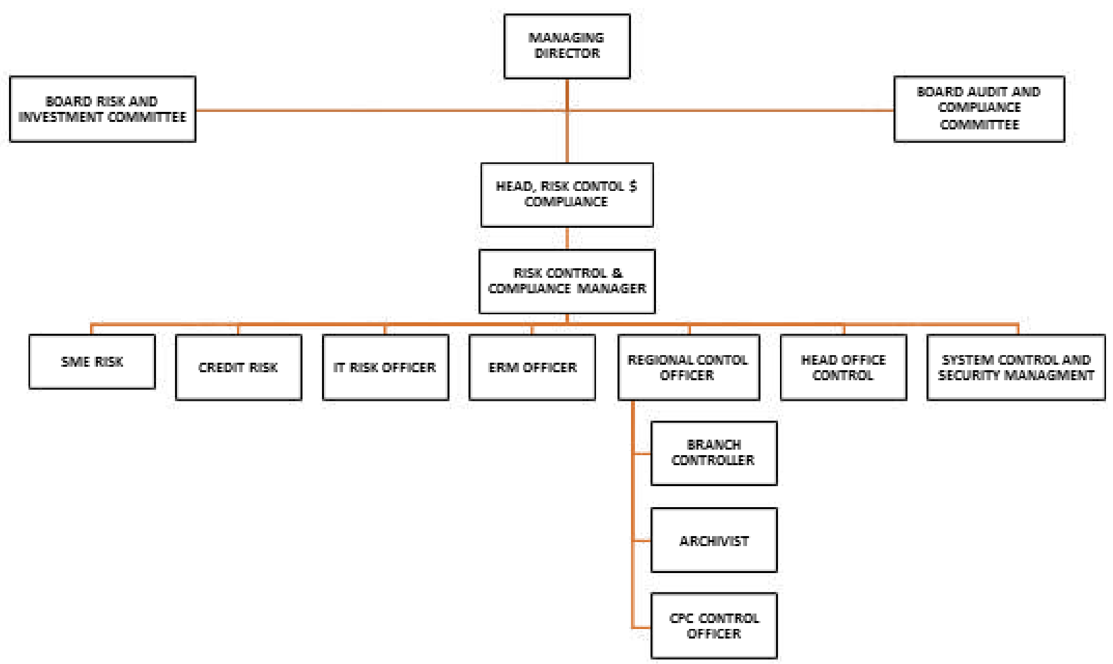
Risk management processes in small, uncomplicated organizations are different from those in organizations with larger volumes, and greater complexity and outreach. However, there are no strict rules for how an entity should structure the department that is responsible for risk and compliance management and the risk management process itself; but rather, it is the overall philosophy of the institution's board and senior management that guides the implementation of best practices in the management and control of risks.

Comprehensive risk management should always be led by senior management which should be involved in the entire process of installing risk management standards and then ensuring that all decisions and policies issued by the entire management team are followed, controlled and later evaluated, based on cost/benefit criteria and the organization-wide propensity for risk-taking.

Given the current size and structure of the Accion MfB, the structure of the risk department at Accion MfB is as follows:

- The Risk Control & Compliance Department is currently constituted of thirty-eight staffs covering different roles: Head, Risk Control and Compliance heads the department, reporting directly to the CEO, and supported by Risk Control and Compliance Manager. The manager hand-holds the two main categorization of Risk and Internal control/compliance where each of these two broad categorization have various staff.

A diagrammatic representation of the structure of the department and reporting is as follows:



Key Stake Holders in Risk Management Process at Accion MfB

Given the scope of the risk department defined above the following have been identified as the key stakeholders in the risk management process at Accion MfB:

Board of Directors: The ultimate responsibility for Accion MfB's risk management policy and framework resides with the Board of Directors. The Board will be responsible for approving all significant policies relating to the management of risks throughout the institution and accessing the risk management activities that are being undertaken in the in institution.

Managing Director and CEO: The MD/CEO is responsible for sharing the risk management policy and framework approved by the Board and the management team. The MD/CEO is also responsible for approving and monitoring the policies and processes that are put in place and that they are in line with Accion MfB's strategy and target market.

Risk Control and Compliance Department: The overall responsibility of the Risk Control and Compliance department at Accion MfB is to identify and monitor the different risks faced by the institution and to propose controls (policies/strategies) to manage the risks. The department is also responsible for monitoring the implementation of controls and provides feedback on adjustments that need to be made in existing policies/process.

Head Risk Control and Compliance: To manage the overall working of the risk department. In addition to identifying and monitoring risks faced by the institution, the Head of Risk Control and Compliance is also responsible for ensuring that the institution is compliant with regulatory and internal compliance.

Regional Control and Compliance Officer: The main responsibility is to coordinate the activities of Branch Controllers across the branches. With the expanded network of branches, he/she liaises with head office in reporting and responsibilities.

Credit and Portfolio Risk Officer: The main responsibility of the credit and portfolio risk officer would is to develop tools to implement Credit and portfolio risk management, including portfolio performance tracking and analysis, Portfolio Growth, Account maintenance and Recovery strategies monitoring and analysis and scoring tools implementation and tracking to enable insights based on information available within the institution.

SME Risk Officer: The main responsibility of SME risk officer is to develop tools to implement SME portfolio risk management, including portfolio performance tracking and analysis, Portfolio Growth, Account maintenance and Recovery strategies monitoring, analysis, scoring tools implementation, and tracking to enable insights based on information available within the institution.

Operational Risk Officer: The main responsibility of the Operational risk and control officer would be to enable insights based on information on operational risks and market risk available within the institution, as well of the thorough roll out of the operational risk and internal control frameworks and procedures.

Credit Risk Analyst: The primary objective of the Credit Risk Analyst is to generate the reports required for the identification, definition and monitoring of specific risks presented in the various portfolio segments.

IT Risk: Monitors the back end transactions to validate that all input to the system are duly authorized as posted.

Archivist: Responsible for safe keeping of all old documents of the bank both physically and electronically. The document is warehoused in safe environment.

Branch Internal Control: Resident staff at each branch and Head Office supports the roll out of the Operational risk framework and internal control and compliance procedures.

Asset and Liability Committee (ALCO): The ALCO Committee is responsible for ensuring that there are adequate policies, procedures and benchmarks on risk arising out of asset liability management from both a long-term and day-to-day perspective. At Accion MfB in addition to this, the committee would also be responsible for taking decisions related to asset and resource allocation.

Risk Measurement and Reporting systems

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are estimates of the ultimate actual losses based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events, which are unlikely to occur, do, in fact, occur.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Board of Directors, the Risk and investment Committee, and the head of each business department. The report includes aggregate credit exposure, forecasts, hold limit exceptions, portfolio quality report, enterprise risk report and risk profile changes. On a monthly basis, detailed reporting of product, customer and staff risks takes place. Senior management assesses the appropriateness of the allowance for credit losses on a monthly basis. The Supervisory Board receives a comprehensive risk report once a quarter, which is designed to provide all the necessary information to assess and conclude on the risks of the bank. For all levels throughout the Bank, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up–to–date information. A daily report is given to the all relevant members of the bank on the analysis of, portfolio performance vis-à-vis growth and quality with detail analysis to all the officers concerned, Liability report is properly measured to assist in liquidity analysis, plus any other risk developments.

Risk Mitigation

As part of its overall risk management, the Bank uses different tools based on departmental processes /operations and other instruments to manage exposures resulting from changes, which may include interest rates, equity risks, credit risks, and exposures arising from forecast transactions etc.

In accordance with the Bank's policy, its risk profile is assessed before entering into transactions, which are authorized by the appropriate level of seniority within the Bank. The effectiveness of is assessed by the Risk Controlling Unit. In situations of ineffectiveness, the Bank will enter into a new hedge relationship to mitigate risk on a continuous basis by residence controller who ensures that all processes are in line with policy and area of deviation are properly monitored through reporting and immediate action.

Concentration Risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographical location. The Bank is not exposed to any concentration risk, as the major activity of MFB is to enhance working capital of micro entrepreneur.

Credit Risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Impairment

Individually assessed allowances

The Bank determines the allowances appropriate for each individually significant loan or advance on an individual basis, including any overdue payments of interests, credit rating downgrades, or infringement of the original terms of the contract. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance if it is in a financial difficulty, projected receipts and the expected payout should bankruptcy ensue, the availability of other financial support, the realisable value of collateral and the timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed allowances

Allowances are assessed collectively for losses on loans and advances that are not individually significant and for individually significant loans and advances that have been assessed individually and found not to be impaired.

The Bank generally bases its analyses on historical experience. However, when there are significant market developments, regional and/or global, the Bank would include macroeconomic factors within its assessments. These factors include, depending on the characteristics of the individual or collective assessment: unemployment rates, current levels of bad debts, changes in laws, changes in regulations, bankruptcy trends, and other consumer data. The Bank may use the aforementioned factors as appropriate to adjust the impairment allowances.

Allowances are evaluated separately at each reporting date with each portfolio.

The collective assessment is made for groups of assets with similar risk characteristics, in order to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident in the individual loans assessments. The collective assessment takes account of data from the loan portfolio (such as historical losses on the portfolio, levels of arrears, credit utilization, loan to collateral ratios and expected receipts and recoveries once impaired) or economic data (such as current economic conditions, unemployment levels and local or industry–specific problems). The approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance is also taken into consideration. Local management is responsible for deciding the length of this period, which can extend for as long as one year. The impairment allowance is then reviewed by credit administration to ensure alignment with the bank's overall policy.

Analysis of maximum exposure to risk and collateral and other credit enhancements

The following table shows the maximum exposure to credit risk by class of financial asset. It also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to the credit risk

The following table shows the maximum exposure to credit risk by class of financial asset. It also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to the credit risk.

Maximum exposure to credit risk

Type of collateral or credit enhancement

		Fair value of collateral and credit enhancements held				
31-Dec-2016	**Maximum exposure to credit risk N'000**	**Cash N'000**	**Property N'000**	**Other N'000**	**Net collateral N'000**	**Net exposure N'000**
Financial assets	797,851	-	-	-	-	797,851
		-	-	-	-	-
Placements with banks and discount houses		-	-	-	-	-
		-	-	-	-	-
Loans and advances to customers			-	-	-	-
Mirco Business (MCB)	5,055,796	660,800	-	-	660,800.00	4,394,996
Small Business (SB)	531,882	283,200	-	-	283,200.00	248,682
Medium Business (MDB)	458,089	141,600		-	141,600.00	316,489
Strategic Alliance	6,579	94,400	-	-	94,400.00	-87,821
STAFF	74,909	-	-	-	-	74,909
Financial investments - hel	188,539	-	-	-	-	188,539
	7,113,646	1,180,000.00			1,180,000.00	5,933,646

		Fair value of collateral and credit enhancements held				
31-Dec-2015	**Maximum exposure to credit risk N'000**	**Cash N'000**	**Property N'000**	**Other N'000**	**Net collateral N'000**	**Net exposure N'000**
Financial assets	756,568	-	-	-	-	756,568
		-	-	-	-	-
Placements with banks and discount houses		-	-	-	-	-
		-	-	-	-	-
Loans and advances to customers			-	-	-	-
Mirco Business (MCB)	4,397,196	563,669.70	-	-	563,669.70	3,833,526
Small Business (SB)	617,523	256,213.50	-	-	256,213.50	361,310
Medium Business (MDB)	349,260	122,982.48		-	122,982.48	226,277
Strategic Alliance	226,440	81,988.32	-	-	81,988.32	144,452
STAFF	83,398	24,821.00	-	-	24,821.00	58,577
Financial investments -	177,391	-	-	-	-	177,391
	6,607,776	1,049,675.00			1,049,675.00	5,558,101

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral.

The type of collateral obtained is :

For Micro Business and Small Business, personal guarantee is used

Management monitors the market value of collateral, and will request additional collateral in accordance with the underlying agreement. It is the bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the bank does not occupy repossessed properties for business use.

Credit quality by class of financial assets

The bank manages the credit quality of financial assets using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the bank's internal credit rating system. The amounts presented are gross of impairment allowances.

Notes	past due nor impaired Performing	1- 30 days	31- 60 days	61-90 days		91 and above	Past due but not impaired	Individually impaired	Total
	2,016	2,016	2,016	2,016	2,016	2,016			2,016
	N'000	N'000	N'000	N'000					
Cash and cash equivalents	797,851								
Loans and advances to customers	5,391,072	222,579	96,926	40,972		286,194	-	89,511	6,127,255
Mirco Business (MCB)	4,373,821	200,670	87,569	38,168	315,506,937	266,056	-	89,511	5,055,795
Small Business (SB)	482,004	17,733	9,233	2,774	20,137,892	20,138	-	-	531,882
Medium Business (MDB)	457,925	10	124	30	-	-	-	-	458,089
Strategic Alliance	2,412	4,167	-	-	-	-	-	-	6,579
STAFF LOAN	74,909						-	-	74,909
Financial investments held to maturity				188,539				-	188,539
Quoted – Government debt securities									-
Quoted – Other debt securities									-
Total	5,391,072	222,579	96,926	229,511		286,194	-	89,511	6,315,794

Notes	Performing	1- 30 days	31- 60 days	61-90 days		91 and above	Past due but not impaired	Individually impaired	Total
	2,015	2,015	2,015	2,015	2,015	2,015			2,014
	N'000	N'000	N'000	N'000					
									-
Cash and cash equivalents	756,568								756,568
									-
Loans and advances to customers	4,992,261	326,364	72,098	42,689		204,412	-	35,993	5,673,817
Mirco Business (MCB)	2,945,318	193,039	43,259	25,613		111,018		35,993	3,354,239
Small Business (SB)	1,227,216	83,329	18,024	10,672		58,371		-	1,397,612
Medium Business (MDB)	490,886	33,331	7,210	4,269		23,348		-	559,045
Strategic Alliance	245,443	16,666	3,605	2,134		11,674		-	279,522
STAFF LOAN	83,398							-	83,398
Financial investments held to maturity				177,391				-	177,391
Quoted – Government debt securities									-
Quoted – Other debt securities									-
									-
Total	4,992,261	326,364	72,098	220,080		204,412	-	35,993	5,851,208

Analysis of risk concentration

The bank's concentrations of risk are managed by client/counter-party. The maximum credit exposure to any client or counterparty as of 31 December 2016 was N6 million (2015: N4million), before taking account of collateral or other credit enhancements.

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis									
31-Dec-2016	Financial Services	Government	Health	Consumers		Retail and Wholesale	Transport &	Services	Total
	N'000	N'000	N'000	N'000		N'000	N'000	N'000	N'000
Financial assets									
Cash and cash equivalents	797,851								797,851
Loans and advances to customers									
Mirco Business (MCB)	-	-	90,103	1,259,034		3,539,749	36,460	130,449	5,055,795
Small Business (SB)	-	-	-	-		-	57,812	474,070	531,882
Medium Business (MDB)	-	-	10,056	54,870		315,478	30,387	47,298	458,089
Strategic Alliance	-	-	-	528		4,053	846	1,152	6,579
STAFF LOAN	-	-		74,909					74,909
Financial investments - held to m	188,539								188,539
	986,391	-	100,159	1,389,341	-	3,859,280	125,506	652,969	7,113,645

31-Dec-2015	Financial Services	Government	Health	Consumers		Retail and Wholesale	ısport & Co	Services	Total
	N'000	N'000	N'000	N'000		N'000	N'000	N'000	N'000
Cash and cash equivalents	756,568								756,568
									-
Loans and advances to customers									-
Mirco Business (MCB)	-	-	47,457			2,409,999	50,334	1,654,726	4,162,516
Small Business (SB)	-	-				572,790		381,860	954,650
Medium Business (MDB)	-	-				91,239		381,860	473,099
Strategic Alliance	-	-				-			-
STAFF LOAN	-	-		83,552					83,552
Financial investments - held to maturity	177,391								177,391
	-	-							-
									-
	933,959	-	47,457	83,552	-	3,074,028	50,334	2,418,446	6,607,776

Committments and Guarantees

The Bank does not have any commitments or guarantees other than contractual commitments in the ordinary course of business. The Bank ensures that service level agreements are done within the ambit of the law with due care to ensure that the bank is not dully exposed to third parties.

Liquidity risk and funding management

Liquidity risk is defined as the risk that the bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The bank has developed internal control processes and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure additional funding if required.

Liquidity risks are mitigated by the Bank by ensuring that it maintains liquid assets equal to at least 30% of customer savings and Term deposits at any point in time. Monthly periodic liquidity reports are also prepared for monitoring purposes.

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarizes the maturity profile of the undiscounted cash flows of the bank's financial assets and liabilities as at 31 December. Trading derivatives are shown at fair value in a separate column. All derivatives used for hedging purposes are shown by maturity, based on their contractual undiscounted repayment obligations. Gross settled, non- trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the bank expects that many customers will not request repayment on the earliest date the bank could be required to pay and the table does not reflect the expected cash flows indicated by the bank's deposit retention history.

Contractual maturities of undiscounted cash flows of financial assets and liabilities

As at 31 December 2016	On demand	Less than 30 days	1 to 30 days	31 to 60 days	61 to 90 days	91 and above	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Financial assets							
Cash and cash equivalents	797,851						797,851
Loans and advances	736,182	1,417,905		1,272,061	1,011,232	1,689,874	6,127,255
Financial investments - held to maturity					188,539		188,539
Other assets	390,066						390,066
							-
Total undiscounted financial asse	**1,924,100**	**1,417,905**		**1,272,061**	**1,199,771**	**1,689,874**	**7,503,711**
							-
Financial liabilities							-
Deposits from customers	1,624,581			237,936		151,000	2,013,517
Debt issued and other borrowed	433,027					744,707	1,177,734
Other liabilities	18,437				620,842	347,914	987,193
							-
Total undiscounted financial liabi	**2,076,044**	-		**237,936**	**620,842**	**1,243,621**	**4,178,444**
Net undiscounted financial asset	**-151,945**	**1,417,905**		**1,034,125**	**578,929**	**446,253**	**3,325,267**

Net undiscounted financial Assets/(Liabilities)

As at 31 December 2015	On demand	Less than 30 days	1 to 30 days	31 to 60 days	61 to 90 days	91 and above	Total
	N'000	N'000		N'000	N'000	N'000	N'000
Financial assets							
Cash and cash equivalents	756,568						756,568
Loans and advances		**4,992,261**		**326,364**	**42,689**	**240,405**	**5,601,719**
Financial investments - held to maturity					177,391		177,391
Other assets	241,924.54						241,925
							-
Total undiscounted financial asse	**733,566**	**4,992,261**		**326,364**	**220,080**	**240,405**	**6,777,603**
Financial liabilities							
Deposits from customers		845,225		217,927	108,963	948,485	2,120,599
Debt issued and other borrowed funds						1,087,259	1,087,259
Other liabilities		259,864					259,864
Total undiscounted financial liabi	-	**1,105,089**		**217,927**	**108,963**	**2,035,743**	**3,467,722**
Net undiscounted financial asset	**733,566**	**3,887,172**		**108,438** -	**111,118**	**-1,795,339**	**3,309,882**

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. In other words, market risk consists of interest rate risk, foreign exchange risk and other price risk such as equity price risk. Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Equity price risk is the risk that the fair value of equities decreases as a result of changes in the level of equity indices and individual stocks.

The Banks financial instruments (including assets and liabilities) except term loans (borrowings) are done on a relatively short term basis including financial assets held to maturity. Therefore, the risk arising from such transactions have very minimal impact on the Bank's performance. All borrowings including long term are denominated in local currency to avoid foreign risks.

The Bank does not invest in publicly quoted equities of companies and as such the Bank is not exposed in any equity price risks.

Currency risk.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank has fully provided for this risk on their foreign loan outstanding balance in the financial year due to fluctuation of exchange rates in 2016

STATEMENT OF VALUE ADDED

	2016 N 000	% share	2015 N 000	% share
Gross earnings	4,013,661		3,369,507	
Interest expense	(592,304)		(157,999)	
	3,421,357		3,200,508	
Bought in goods and services				
Administrative overheads - Local	(937,666)		(825,788)	
Provision on loan losses	(466,762)		(346,106)	
Value added	2,016,928	100	2,028,615	100
Distributed as follows				
To pay employees:				
Salaries and other allowances	1,188,946	58.7	1,064,487	52.5
To Government:				
Taxation	289,333	14.3	269,447	13.3
To provide for enhancement of assets expansion of business and payment of dividend to shareholders				
Depreciation	127,862	6.3	125,693	6.2
Deferred taxation	(127,433)	(6.3)	23,046	1.01
Profit for the year	538,220	26.7	545,941	26.9
	2,016,928	100	2,028,615	100

FIVE YEAR FINANCIAL SUMMARY

	IFRS 2016 N 000	IFRS 2015 N 000	IFRS 2014 N 000	IFRS 2013 N 000	NGAAP 2012 N 000
Assets					
Cash and cash equivalents	797,851	756,568	536,990	411,229	258,056
Loans and advances	5,826,119	5,294,462	3,975,266	3,002,293	1,830,124
Financial investments - held to maturity	188,539	177,391	119,516	99,022	245,958
Other assets	284,382	241,925	196,576	190,715	121,760
Deferred Tax asset	105,685	-	1,297	-	-
Property and equipment	286,143	293,912	212,438	215,818	175,634
Intangible assets	49,372	24,756	44,152	34,186	7,607
Total assets	**7,538,090**	**6,789,014**	**5,086,236**	**3,953,263**	**2,639,139**
Liabilities					
Deposits from customers	2,013,517	2,120,599	1,421,819	1,058,236	543,433
Current tax liabilities	347,914	299,185	314,131	193,099	123,548
Debt issued and other borrowed funds	1,177,734	1,087,259	554,614	504,980	153,368
Other liabilities	639,280	259,864	228,183	171,965	109,992
Deferred tax liabilities	-	21,748	-	2,771	15,908
Total liabilities	**4,178,445**	**3,788,654**	**2,518,747**	**1,931,051**	**946,248**
Equity attributable to owners of the Bank					
Issued share capital	1,212,617	1,211,000	1,206,490	1,205,834	1,205,834
Share premium	4,613	3,513	446	-	-
Statutory reserve	1,066,900	932,345	795,859	484,582	292,835
General reserve	1,075,515	853,502	538,162	310,565	194,223
Regulatory Risk reserve	-	-	26,532	21,231	
Total equity	**3,359,645**	**3,000,360**	**2,567,489**	**2,022,212**	**1,692,892**
Total liabilities and equity	**7,538,090**	**6,789,014**	**5,086,236**	**3,953,263**	**2,639,140**
PROFIT AND LOSS ACCOUNT					
Gross earnings	4,013,661	3,358,507	2,717,919	1,851,069	1,300,815
Profit/Loss before taxation	700,120	838,434	1,015,145	554,187	400,870
Profit/Loss after taxation	538,220	545,941	726,510	389,534	275,132
Per share (Naira)					
Earnings/per share	**0.44**	**0.45**	**0.60**	**0.32**	**0.23**
Net assets per share (Basic)	**2.77**	**2.48**	**2.13**	**2.13**	**1.68**

Ajibola Rahman Babatunde

Dealer in Building Materials
Customer at our Ladipo Branch since 2008.

"Accion Microfinance Bank has helped my progress in business. With their support, my shop is always filled with goods. My children are all educated with my last child in University now. I appreciate the help Accion has given me"

Yusuf Rainat Anike

Owns a Provision Store
Customer at our Bariga Branch since 2008.

" With the support of Accion Microfinance Bank, my business has grown to the level where I have been able to support my family to see my children through University and go on Pilgrimage."

Fujah Amudalat Atinuke

Owns a Provision Store
Customer at our Oke-Arin Branch since 2007.

" I appreciate the support Accion Microfinance Bank has given my business to grow it to the level it is today. I have been able to support my family and today, most of my children are graduates, with the last child in the University."

Our Branch Network

CORPORATE HEAD OFFICE
Accion Microfinance Bank Ltd
4th Floor Elizade Plaza
322A Ikorodu Road
Anthony, Lagos.
Tel : 01-2719325-6
Fax : 01-2719327
Email : info@accionmfb.com
Website : www.accionmfb.com

AGEGE
Accion Microfinance Bank Ltd
Ashake House
223 Old Abeokuta Road,
Opp Police Station
Agege, Lagos.
Tel : 01-2719325 Ext 901/ 902

AGRIC IKORODU
Accion Microfinance Bank Ltd
NNPC Filling Station
50, Isawo Road (1st Floor)
Agric, Ikorodu, Lagos
Tel : 01-2719325 Ext 2501/2502

AGUDA
Accion Microfinance Bank Ltd
16 Kushimo Street, 1st Floor
(Opposite Mr. Biggs/ Mobil)
Aguda, Surulere
Tel : 01-2719325 Ext 801/2802

AJAH
Accion Microfinance Bank Ltd
XYZ Plaza (Ground floor)
No 1 Kassim Oyofo Street,
Thomas Estate, Ajah,Lagos.
Tel : 01-2719325 Ext 201/2202

AKOWONJO
Accion Microfinance Bank Ltd
13, Shasha Road (Beside KFC),
Akowonjo, Lagos.
Tel : 01-2719325 Ext 1901/ 1902

AKUTE
Accion Microfinance Bank Ltd
89 Ojodu Akute Road,
Alagbole, Farm B/stop,
Akute,Ogun State.
Tel : 01-2719325 Ext 3501/ 3502

ALABA
Accion Microfinance Bank Ltd
27/28, Igbede Road,
Ojo-Alaba, Lagos.
Tel : 01-2719325 Ext 1601/ 1602

ANTHONY
Accion Microfinance Bank Ltd
1st Floor Elizade Plaza
322A Ikorodu Road,
Anthony, Lagos.
Tel : 01-2719325 Ext 601/ 602

APONGBON
Accion Microfinance Bank Ltd
16, Apongbon Street,
Apongbon, Lagos.
Tel : 01-2719325 Ext 801/ 802

BARIGA
Accion Microfinance Bank Ltd
3, Tijani Ashogbon Street,
Opp. Abeokuta Street,
Bariga, Lagos.
Tel : 01-2719325 Ext 1701/ 1702

BARUWA
Accion Microfinance Bank Ltd
154 Ipaja Road
Baruwa, Ipaja, Lagos
Tel : 01-2719325 Ext 2601/ 2602

BODIJA
Accion Microfinance Bank Ltd
Christy Plaza, Secretariat-UI Road
First Floor
(Beside Methodist High School)
Ibadan.
Tel : 01-2719325 Ext 4501

BOUNDARY
Accion Microfinance Bank Ltd
62, Bale Street,
Boundary, Ajegunle, Lagos.
Tel : 01-2719325 Ext 3301/ 3302

DUGBE
Accion Microfinance Bank Ltd
Abek Vine House
22, Adekunle Fajuyi Road
beside MKO Abiola House
Dugbe, Ibadan, Oyo State
Tel : 01-2719325 Ext 3901/ 3902

EJIGBO
Accion Microfinance Bank Ltd
91 Ikotun Isolo Road,
(Mobil Petrol Station),
Ejigbo, Lagos.
Tel : 01-2719325 Ext 2301/ 2302

FESTAC
Accion Microfinance Bank Ltd
Ecobank Building, Hse 22,
2nd Ave, Festac
Tel : 01-2719325

IDI-ORO
Accion Microfinance Bank Ltd
118 Agege Motor Road,
Beside Ecobank Nig. Plc. Building,
Idi-Oro, Mushin, Lagos.
Tel : 01-2719325 Ext 701/ 702

IDUMAGBO
Accion Microfinance Bank Ltd
19, Idumagbo Avenue,1st Floor
Lagos Island, Lagos.
Tel : 01-2719325 Ext 1001/ 1002

IKEJA
Accion Microfinance Bank Ltd
5, Oba Akran Avenue,
Ikeja, Lagos.
Tel : 01-2719325 Ext 150

IKOTUN
Accion Microfinance Bank Ltd
40, Ikotun-Idimu Road,
Beside Mr. Biggs,
Ikotun Local Government, Lagos.
Tel : 01-2719325 Ext 1301/ 1302

IKORODU
Accion Microfinance Bank Ltd
62, Owolowo Street,
Off Ayangburen Road,
Ikorodu, Lagos.
Tel : 01-2719325
Ext 1401/ 1402

ISOLO
Accion Microfinance Bank Ltd
32, Ire-Akari Estate Road
(Above Chicken Republic)
Isolo, Lagos
Tel : 01-2719325 Ext 3201/ 3202

IWO ROAD
Accion Microfinance Bank Ltd
1, Abayomi Street,
Iwo Raod
Back of Ecobank Building
Ibadan, Oyo State.
Tel : 01-2719325

KETU
Accion Microfinance Bank Ltd
572 Ikorodu Road,
Ketu, Lagos.
Tel : 01-2719325 Ext 1101/ 1102

LADIPO
Accion Microfinance Bank Ltd
93 Ladipo Street,
Beside Ecobank Nig. Plc. Building,
Matori, Mushin, Lagos.
Tel : 01-2911070, 01-2911634

MOLETE
Accion Microfinance Bank Ltd
WIMBO Building
61, Molete Road
Opposite Molete Baptist Church
Idi-Odo, Challenge, Ibadan
Oyo State
Tel : 01-2719325 Ext 4201

OBALENDE
Accion Microfinance Bank Ltd
26B Lewis Street, Lagos.
Tel : 01-2719325 Ext 2401/ 2402

OJODU
Accion Microfinance Bank Ltd
Ise Oluwa House (Ground Flr)
Plot 898a Isheri Road,
Ojodu, Lagos.
Tel : 01-2719325 Ext 1801/ 1802

OKE-ARIN
Accion Microfinance Bank Ltd
58, Kosoko Street,
Oke-Arin, Lagos
Tel : 01-2719325 Ext 201/ 202

OKE ODO
Accion Microfinance Bank Ltd
437 Lagos Abeokuta Expressway
Ile-Epo Bus Stop
Oke-Odo, Lagos
Tel : 01-2719325 Ext 2701/ 2702

ONITSHA- MAIN MARKET
Accion Microfinance Bank
28 Francis Street,
Main Market, Onitsha
Anambra State.
Tel: 01-2719325 Ext 3701/ 3702

ONITSHA- NKPOR
Accion Microfinance Bank
14, Ajuluchukwu Street,
Nkpor Market, Onitsha
Anambra State.
Tel: 01-2719325 Ext. 3801/ 3802

ORILE
Accion Microfinance Bank Ltd
Vinjosco Plaza,
(left wing 1st and 2nd floor)
21 Coker Street,
Coker, Orile, Lagos.
Tel : 01-2719325 Ext 2101/ 2102

OSHODI
Accion Microfinance Bank Ltd
20, Oshodi Street,
Oshodi, Lagos.
Tel : 01-2719325 Ext 2001/ 2002

IDUMAGBO AGRIC - IKORODU IKEJA AJAH OSHODI IKORODU OSHODI IKOTUN EJIGBO BARUWA ORILE FESTAC OKE-ARIN ANTHONY APONGBON IDI-ORO TRADE FAIR COMPLEX OKE-ODO BOUNDARY AJAH ALABA OYINGBO SURULERE OSHODI IKOTUN BARIGA PORT HARCOURT OKE-ODO

OYINGBO
Accion Microfinance Bank Ltd
152 Herbert Macaulay Road
Yaba, Lagos
Tel : 01-2719325 Ext 401/ 402

SANGO - OTA
Accion Microfinance Bank Ltd
46 Ijoko Road,
Sango -Ota, Ogun State
Tel : 01-2719325 Ext 3401/ 3402

SURULERE
Accion Microfinance Bank Ltd
77, Ojuelegba Road,
Surulere Lagos
Tel : 01-2719325 Ext 1201/ 1202

TRADE FAIR COMPLEX
Accion Microfinance Bank Ltd
(Balogun Business Association)
Emanolink Plaza, Hall 3,
Beside Kano Plaza, BBA, Lagos.
Tel : 01-2719325 Ext 301/ 302

PORT HARCOURT - MILE 1
Accion Microfinance Bank Ltd
28, Ikwerre Road
Mile 1, Diobu
Port Harcourt, Rivers State
Tel : 01-2719325 Ext 2901/ 2902

PORT HARCOURT - MILE 3
Accion Microfinance Bank Ltd
21, Ada George Road
Rumuokokwu Town, Mile 3
Diobu, Port Harcourt, Rivers State
Tel : 01-2719325 Ext 3001/ 3002

PORT HARCOURT - RUMUOKORO
Accion Microfinance Bank Ltd
16, East/West Road
Opposite Rumuokoro Motor Park
Rumuodomaya, Port Harcourt,
Rivers State
Tel : 01-2719325 Ext 3601/ 3602

PORT HARCOURT - RUMUOMASI
Accion Microfinance Bank Ltd
18, Old Aba Road
(St. Lucy Plaza)
Rumuogba, Rumuomasi
Port Harcourt, Rivers State
Tel : 01-2719325 Ext 3601

CASH CENTRES

APATA
Accion Microfinance Bank Ltd
DKL Building, by Apata B/Stop
Apata, Ibadan, Oyo State
Tel : 01-291932516

IJEGUN
Accion Microfinance Bank Ltd
Waleola Filling Station
Ijegun
Tel : 01-2719325

IJEDE
Accion Microfinance Bank Ltd
Famon Filling Station
Elepe Bus Stop
Ijede, Ikorodu, Lagos
Tel : 01-2719325 Ext 3601/ 3602

IYANA -IPAJA
Accion Microfinance Bank Ltd
Shop 46, Block F,
Iyana - Ipaja Market
Lagos.
Tel : 01-2719325 Ext 5801

KOLA
Accion Microfinance Bank Ltd
748 Lagos / Abeokuta E/Way
Agbado
(Mosholashi Bus Stop)
Ogun State
Tel : 01-2719325 Ext 5901

NEW GBAGI
Accion Microfinance Bank Ltd
Bashmur & Ayimur Plaza
Old Ife Road
New Gbagi
Tel : 01-2719325 Ext 5501

OJUORE
Accion Microfinance Bank Ltd
Fatgbems Filling Station
Opposite Mr. Biggs
Oju-ore, Sango -Otta
Ogun State
Tel : 01-2719325 Ext 4101

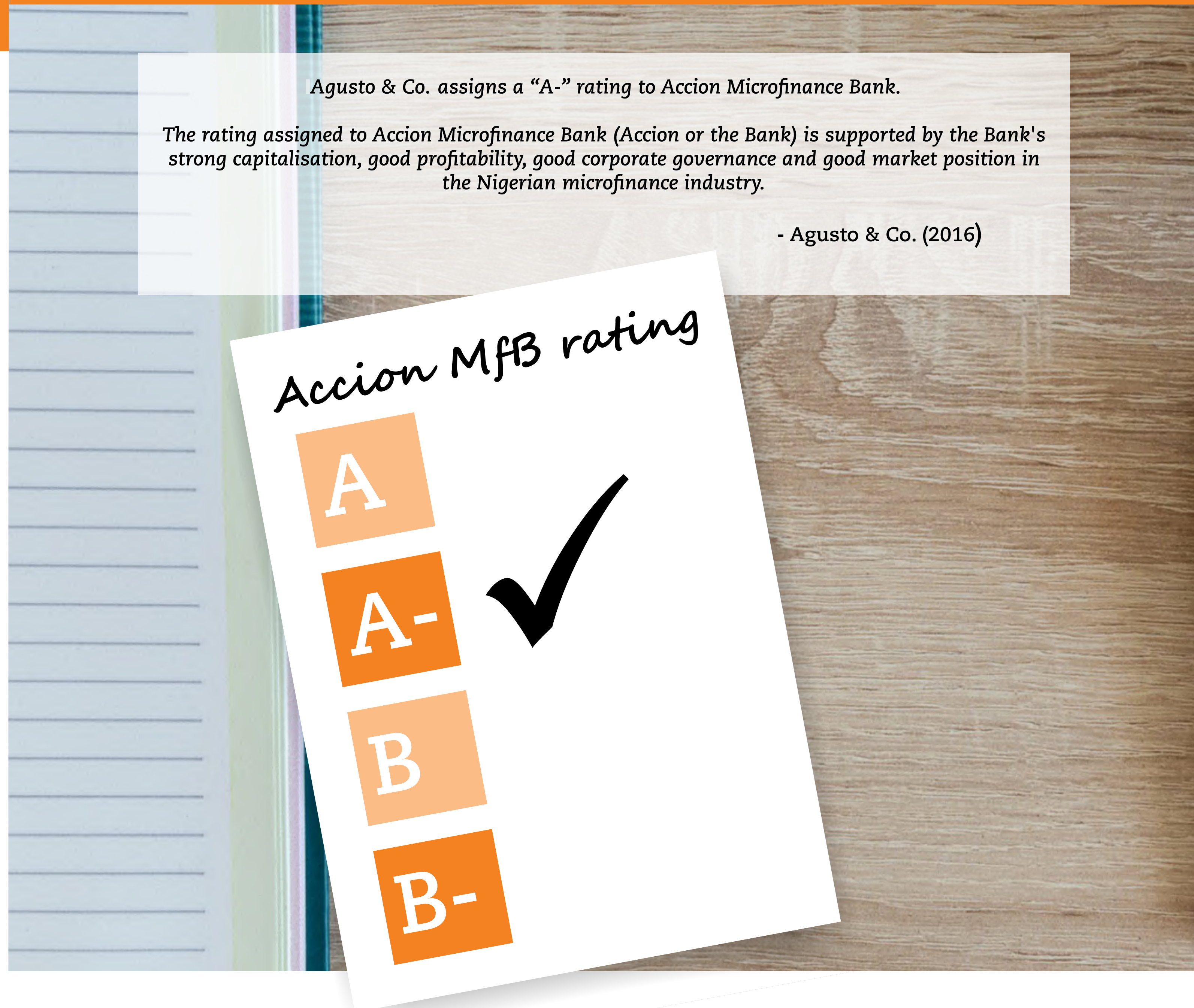
Accion Microfinance Bank Call Centre
01-2719325
070 4522 2933

Our credentials speak for us!

Agusto & Co. assigns a "A-" rating to Accion Microfinance Bank.

The rating assigned to Accion Microfinance Bank (Accion or the Bank) is supported by the Bank's strong capitalisation, good profitability, good corporate governance and good market position in the Nigerian microfinance industry.

- Agusto & Co. (2016)



For a decade, Accion Microfinance Bank Ltd., has distinguished itself as a leading Microfinance Bank. With 48 branches in 5 states, over N60bn disbursed to MSME's, providing employment for over 1400 Nigerians, Winner of the EFInA Award for the Service Provider that deepens Financial Inclusion in Nigeria, Awardee - Great Place to Work Nigeria (Culture), 4 times LEAD Award for Best Microfinance Bank of the Year , all of these holding the promise of a brighter future.

Visit www.acciomfb.com to find out how together, we can build a brighter future.

My Future is Bright

ACCION
Microfinance Bank