Moving forward sustainably

The Access Bank UK Limited
Annual Report and Accounts 2012

The Access Bank UK's objective is to grow the international business of the Access Bank Group through excellence in customer service and innovative solutions in trade finance, treasury services, commercial banking and asset management.

We are licensed and regulated by the UK's Prudential Regulation Authority and Financial Conduct Authority (PRA and FCA), and are therefore in a strong position to support opportunities in OECD markets for Access Bank Group customers. At the same time, our position as Access Bank Group's OECD operational hub supports the flow of investment into markets in Nigeria, Sub-Saharan and West Africa.

Like our parent, we are committed to developing a sustainable business model for the environment in which we operate. Our commitment to business sustainability is reflected in our moderate appetite for risk, our passion for customer service, and our commitment to building long-term relationships by working in partnership with our customers.

We play a key role in our Group's vision to be the most respected bank in Africa. And as part of this role, we refuse to chase unsustainable yields as a route to growth. Instead, we focus on building our business through the strength of our customer relationships.

Contents

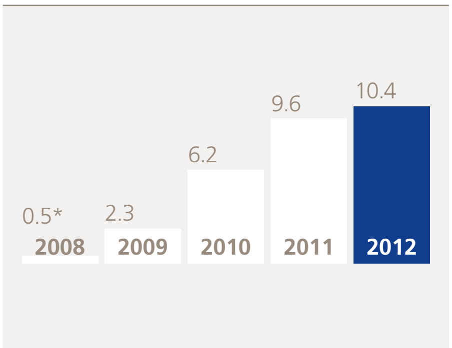
2012 Highlights

Financial highlights

In accordance with our first five-year plan, which completed in 2012, we have built a sustainable business for Access Bank UK, with a broad base of income lines delivering consistent profitability on a monthly, quarterly, half-yearly and annual basis.

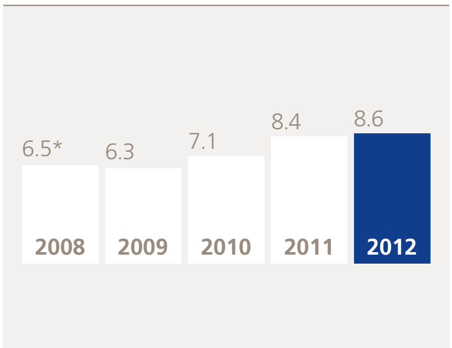
Operating income

£10.4M



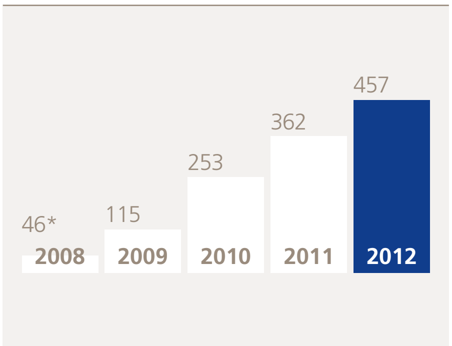
Operating costs

£8.6M



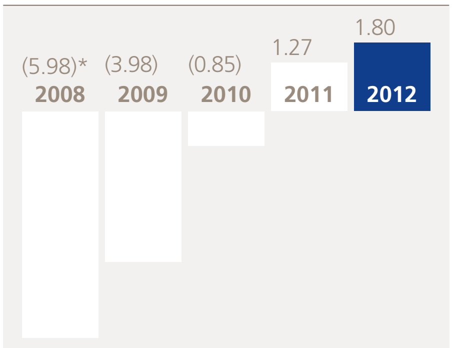
Growth in balance sheet

£457M



PBIT

£1.80M



Operational highlights

- All objectives of five-year launch plan met (for full details see page 4)
- Significant growth in private banking, supported by heightened brand profile, new products and growth in discretionary portfolios
- Packaged trade finance solution exceeds volume and income targets
- 35% increase in trade finance transactions, year-on-year
- Launch of electronic trading capability and strengthening of front-end operations for Commercial Banking and Trade Finance business units

* 2008 figures cover a 15 month period from 10 September 2007 to 31 December 2008

Strategic Business Units Overview

Increasing revenues

The Access Bank UK is a wholly owned subsidiary of Access Bank Group plc. We provide trade finance, treasury, commercial and private banking services for clients of the Access Bank Group in their dealings with OECD markets, and support companies exporting to African markets.

We act as a confirming bank for the Group and a registered trade finance and correspondent bank for the Central Bank of Nigeria (CBN).

The Access Bank UK is regulated by the UK's Prudential Regulation Authority and Financial Conduct Authority (PRA and FCA) with independent, wholly UK-located IT systems that adhere to these authorities' standards of data collection and management.

Our operations comprise the following four Strategic Business Units:

1 Trade Finance

Correspondent bank transactions

$2.5BN

+25% yoy

- Acts as a confirming bank for Access Bank Group customers, and for exporters to African markets
- Registered correspondent and trade finance bank for the Central Bank of Nigeria (CBN)
- Issues Letters of Credit on behalf of the Nigerian government and Nigerian National Petroleum Company (NNPC)
- Acts as correspondent bank for Nigerian and Ghanaian banks lacking a UK-authorised subsidiary
- Accredited by IFC (World Bank Commercial Arm)

Review for this division on **Page 11**

The Access Bank UK, with its strong commercial ties to Sub-Saharan Africa, combined with deep local knowledge, provides an invaluable service proposition for our customers.

2 Commercial Banking

Total loans and advances to customers

£46.8M
+59% yoy

- Relationship bank, working as a confirming house for worldwide contractors operating in Nigeria
- Manages direct customer relationships for Trade Finance activities
- Develops packaged trade finance solutions to facilitate the import of goods into Nigeria and other markets
- Provides Business and Personal banking facilities offering a range of Dollar, Sterling and Euro products
- Facilitates Foreign Exchange transactions for customers at competitive market rates
- Property lending facility

Review for this division on **Page 12**

3 Asset Management

Assets under management for customers

£12.3M
242% yoy

- Provides discretionary portfolio management services, bringing worldwide investment products to high-net worth Nigerian customers
- UK Investor Visa product enables customers to purchase UK Government Gilts and other qualifying investments, to support their VISA application
- Provider of buy-to-let property loans to high-net worth Access Bank Group customers investing in property in OECD markets
- Relationship-based service wholly tailored to individual customer requirements
- Lagos-based private banking team offering face-to-face customer service in Sub-Saharan Africa

Review for this division on **Page 12**

4 Treasury

Balance sheet assets under management

£457M
+26% yoy

- Handles placement of deposits and capital placed with the Access Bank UK
- Hedges foreign exchange risk in support of Trade Finance
- Offers a range of currencies for customer transactions, including USD, GBP, EUR, JPY and CAD
- Trades in money markets to ensure competitive rates for customers
- Provides bespoke solutions for cross-currency transactions
- Moderate appetite for risk, dealing primarily with investment-grade institutions, and only with those banks that are generally considered to be both stable and systemically important

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Business Model

Business strategy and progress

Summary of achievements under the first five-year plan

December 2012 marked the endpoint for Access Bank UK's first five-year plan, which we set out upon our launch as a UK-licensed bank. We are pleased to announce that all targets established in this five-year plan have been achieved. And we here summarise the key objectives and how they have been met.

Developing our business model

The Executive Committee of Access Bank UK is completing a detailed five-year plan running up to the end of 2017, which will be focused on a new core objective: to be the most profitable Nigerian bank in the UK when measured by return on equity. To achieve this objective, we are developing further the broad-based income strategy for the bank that will ensure continued strong growth that is not dependent on any one region or market.

2010

Establish a profitable base for the business

Since year-end 2010, Access Bank UK has been profitable on a monthly, quarterly, half-yearly and annual basis.

2011

Become the established OECD hub for Access Bank Group

Access Bank UK's confirmation is now accepted on over 95% of occasions. In 2011, Access Bank UK became the first Nigerian bank to be accredited by the Central Bank of Nigeria as a trade finance and correspondent bank – and is also recognised by the IFC.

Obtain Investors in People (IIP) accreditation

Access Bank UK achieved IIP accreditation in 2011 and has successfully retained it since.

2012

Establish broad income streams

Diversification is firmly established with significant and growing contributions from all four business units, and a broadening range of products. The number of individual revenue lines is 18 at the end of 2012, a considerable increase from our position at launch. We are continuing to look at opportunities for enhancing and expanding our product range to meet our customers' needs.

Embed a sustainable business model

During 2012 Access Bank UK issued its first Risk Appetite Statement, firmly defining our moderate appetite for risk. This appetite has consistently governed our approach to trade finance, foreign exchange, the placement of our balance sheet, and counter-party risk – and the strong growth delivered within this framework testifies to the sustainability of our business model.

Our values

In formulating and achieving specific targets under our second five-year plan, we will remain guided by the six key values of Access Bank UK, which are shared with the Access Bank Group as a whole.

Excellence

- Surpassing ordinary standards to be the best in all that we do
- Setting the standard for what it means to be exceptional
- Never losing sight of our commitment to excellence, even when the going gets tough
- Remembering that excellence requires dedication and commitment
- Our approach is not that of excellence at all costs – it is excellence on all fronts so that we deliver outcomes that are economically, environmentally and socially responsible.

Leadership

- Leading by example, leading with guts
- Being first, being the best, sometimes being the only
- Courage to be the change we want to see
- Setting the standard
- Challenging the status quo
- Market-making
- Self-awareness in being able to maintain a balanced assessment of externalities and costs incurred in the pursuit of leadership.

Passion for customers

- We live to serve our customers
- In addition to delivering excellent customer service, we will be focusing on our corporate responsibilities as a bank, supporting growth and opportunity in Africa and elsewhere. You can find more details of our values relating to Corporate Responsibility (CR) on page 14.

Empowered employees

- Recruiting and retaining the right people and teams based on shared values and vision
- Developing our people to become world-class professionals
- Encouraging a sense of ownership at individual level whilst fostering team spirit and loyalty to a shared vision
- Promoting a sense of belonging and community
- Facilitating continuous learning by providing the training, tools and coaching to help our people grow
- Helping our people to take care of their health
- Pursuing a positive work/life balance for increased productivity and improved employee satisfaction
- Encouraging a diverse workforce; respect for and appreciation of differences in ethnicity, gender, age, national origin, disability, and religion.

Professionalism

- Putting our best foot forward in everything we do, especially in high-pressure situations
- Consistently bringing the best of our knowledge and expertise to the table in all of our interactions with our stakeholders
- Setting the highest standards in our work ethic, behaviours and activities, in the way we treat our customers and – just as importantly – each other
- Putting our customers' needs ahead of our own
- Maintaining composure and clear thinking at all times
- Ensuring continuous learning; through continuous growth and career development.

Innovation

- Identifying new market needs and opportunities
- Creativity, invention, inspiration, exploration
- Pioneering new ways of doing things, new products and services, new approaches to clients/customers
- Being first, testing the waters, pushing boundaries
- Going from concept to market/reality
- Anticipating and responding quickly to market needs with the right technology, products and services to achieve customer objectives.

Chairman's Statement

Growing our contribution

Access Bank UK was established five years ago as the OECD flag bearer of the Access Bank Group. As such it forms an important aspect of our vision to be the most respected bank in Africa. This report demonstrates how Access Bank UK's contribution has grown over its first five years – and how the opportunities available to our UK operation continue to develop.

From the outset, Access Bank UK has acted as the operational hub for the Group's international payments business, providing trade finance and treasury solutions to support the Group's clients in their dealings with OECD markets, whilst also playing an important role in the flow of investments into these countries. In fulfilling this role so successfully, it has established Access Bank on a global stage – and helped to increase the opportunities for the Group across African markets.

Just as significant has been the way in which it has played this role, establishing a truly sustainable business that fully embodies our values as an organisation. You will find this sustainable approach reflected throughout this Annual Report: in our moderate appetite for risk, our commitment to growth through customer service excellence, and our success in establishing a broad base of income lines that deliver consistent growth and profitability.

As we come to the end of the start-up chapter of our great story, we can look back on our achievements so far with a great deal of satisfaction. However, we can also see new vistas of opportunity and new avenues for independent, broad-based growth, which will enable Access Bank UK to make an even larger contribution to Group performance. You will find details of several of these in the pages of

Company timeline

2008

August
The Access Bank UK Limited achieved Financial Services Authority approval.

October
The Access Bank UK Limited launched UK operations

2009

June
The Access Bank UK Limited was awarded the Adam Smith Award for Best Practice and Innovation – Insourcing/ Outsourcing, presented by Treasury Today.

July
The Access Bank UK Limited was awarded Confirming Bank status under the Global Trade Finance Programme run by the International Finance Corporation.

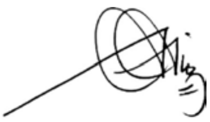
October
The Access Bank UK Limited celebrated its first anniversary of its UK operations.

this report, including our innovative approach to packaged trade finance, which we are now extending to new markets, our expansion into the secondary trade finance arena, and strengthening relationships with OECD exporters that are increasing the reach of Access Bank UK across African trade.

As we look to increase our contribution to the Group's revenues and vision during the next five years, I am pleased to announce the renewal of the appointment of Derek Ross and Tim Wade as independent non-executive directors for the Access Bank UK; their seasoned boardroom experience, gained over many years in the financial services sector, has ensured we operate at the standard of corporate governance expected of a first class financial institution.

I am also deeply grateful for the continued support or our customers and the commitment, skill and hard work displayed by all of our Access Bank UK employees. I am confident that these will continue to characterise Access Bank UK's success over the next five years and beyond.

God Bless



Mr Aigboje Aig-Imoukhuede
Chairman and Non-Executive Director

2010

June
The Access Bank UK Limited launched Access Private Bank, a global investment and wealth management operation for high net worth individuals.

November
The Access Bank UK Limited won Compliance Register Platinum Award for Trade Finance Services.

2011

September
Appointed as correspondent bank to the CBN.

November
The Access Bank UK Limited won Best Banking Services and Client Relationship Management at The Compliance Register Platinum Awards.

2012

October
Appointed as escrow agent for NNPC.

Chief Executive's Review

Creating new avenues for growth

I am proud to be able to present another strong set of results that demonstrate the progress that The Access Bank UK has made over the course of our first five years.

In a year that saw significant disruption to two of our most important markets, we have nevertheless delivered strong year-on-year growth, with profits up 41% to £1.8m. The bank has remained consistently profitable on a monthly, quarterly, half-yearly and annual basis, a result of the continued expansion of our reach in international trade finance and the recognition of Access Bank UK as a confirming bank across an increasing number of markets. We have leveraged this reach and recognition to open up new avenues of growth, building a business model that is becoming increasingly diversified.

Business unit performance and outlook
The core business faced a number of significant, though temporary, economic headwinds during 2012. Uncertainty in the Nigerian oil market resulted in a sharp reduction in the flow of trade finance and commercial activity from our parent market whilst the death of Ghana's President Mills resulted in similar disruption to trade. These prevailing conditions have delayed the increased flow of trade finance and commercial banking business that we had expected to follow from Access Bank Group's acquisition of Intercontinental Bank in 2011, and the Group's subsequent status as one of the top five banks in Nigeria. Yet despite this interruption, our Trade Finance and Commercial Banking business units were able to deliver significant year-on-year growth. This robust performance results from our commitment to a sustainable business model and the continuing investment in systems and support that this involves, our determination to innovate and excel in customer service, and our success in building a broad base of products to meet our customers' needs.

We benefited from our investment in improved payment processing capabilities as it handled an additional 90,000 transactions during the year – an increase of 35%. We conducted our first deals on the secondary trade finance market, leveraging our increasing recognition as a confirming house to open up new growth opportunities. And through a strategy of backwards integration we are working ever more closely with exporters to African markets, further broadening the international reach of the operation and multiplying the opportunities for growth within Africa. With trade flows from Ghana increasing and further opportunities to gain share in Nigeria, the potential for growth in our core markets remains strong. In addition to expansion in Ghana, we are adopting a focused growth strategy for additional African markets, with particular attention to Rwanda and Zambia.

The growing demand for our innovative packaged trade finance solutions powered the performance of our Commercial Banking business during the year. The prospects for continued growth through expanding demand for these products are significant. And we will be leveraging the potential of packaged trade finance further by expanding our offer to Ghana during 2013.

Commercial Banking has worked closely with our Asset Management operation on the development of the Investor Visa product, which provides a route to a UK passport via investment in qualifying asset classes. As a lending-based product, the Investor Visa demonstrates how our Asset Management business unit is expanding its product portfolio beyond its traditional focus on banking and asset management services. Buy-to-let property loans and discretionary portfolio lending provide new solutions for customers, and further increase the range of connected products that we offer through a single, trusted client relationship. The asset management operation increased its assets under management from £3.6m to £12.3m during the year.

Our Treasury business unit delivered another strong performance, driven particularly by activity in foreign exchange and bonds. The operation once again exceeded revenue targets, despite the constraints of the current economic environment whilst meeting the Access Bank UK's strict risk criteria.

Defining our approach to risk
As we reached the close of the year, we took the opportunity to define our appetite for risk in the form of a Risk Appetite Statement that draws together previous positions on credit and liquidity risk with a view on operational risk. This approach has been a fundamental element of our business model and strategy – and will remain so over the next five years of the bank's development. We have backed our statement with enhanced Key Risk Indicators, a dedicated Operational Risk Team to work alongside existing teams in credit risk, compliance and anti-money laundering, and our Risk and Compliance Director's continuing presence on the Executive Committee and all key sub-committees.

Evolving our strategy: the next five years
In this final report of our first five-year plan, we can look back at significant milestones achieved: establishing a broad income stream with 18 separate revenue lines, becoming the first Nigerian bank to be accredited by the Central Bank of Nigeria as a trade finance and correspondent bank, and recognition by the IFC. The next five years of our journey will be defined by how we build on our product offerings and customer service to maximise the strong business base we have established.

During those five years, it is likely that Nigeria will surpass South Africa to become the leading economy in Africa. Its population will reach 180 million and it will continue to draw investment in oil, gas and infrastructure. This demonstrates the immense potential available to Access Bank UK, but it is only a part of the opportunity. As this year has shown, it is our increasing international reach and recognition that most strongly positions us for future growth through the flow of trade to Africa as a whole.

I would like to thank all of our customers, staff and shareholders for their support, which has enabled the Bank to firmly establish itself on the international stage.

Mr Jamie Simmonds
Chief Executive Officer

Business Segment Review

A diversified business

The Access Bank UK's mission is to grow the international business of the Access Bank Group carried out across our four Strategic Business Units (SBUs):

- Trade Finance
- Commercial Banking
- Asset Management.
- Treasury

The strategy for each of these SBUs reflects our business-wide approach of growing revenues through excellent service levels and the strength of our customer relationships, whilst maintaining a conservative approach to risk.

Our Trade Finance operation delivered continued growth on the back of record payment numbers, despite temporary disruptions to the flow of business from some of our core African markets

1 Trade Finance

Uncertainty in the Nigerian oil market, combined with political transition in Ghana, resulted in a rare combination of headwinds for the Trade Finance business unit during 2012. In these circumstances, achieving continued profitable growth testifies to the increased scope and robust potential of our business model.

Continued investment in our systems and front-end has enabled our operation to increase significantly its capabilities for international payments processing. The more than 90,000 transactions completed in 2012 represent a 35% increase year-on-year, and the largest number of transactions yet recorded by the bank. Acceptance of the Access Bank UK as a confirming bank across OECD markets continues to grow, broadening the scope of opportunities for both ourselves and our customers, with our confirmation now accepted on over 95% of occasions.

The year saw significant developments in the way that we leverage this growing recognition. The Trade Finance business unit conducted its first deals on the secondary market, an area where we expect to increase our visibility over the next five-year period. Closer working relationships with OECD exporters are providing increased exposure to trade flows across a broader range of African countries.

Such developments will help to ensure that the Trade Finance operation's growth remains self-sustaining and avoids over-dependency on any one African market. Ghana, where trade flows are growing, will be one focus for growth in the year ahead, along with Rwanda and Zambia.

Syndication activity

$106.3M

+214% yoy

Correspondent bank transactions during 2011/12

$2.5BN

+25% yoy

Business Segment Review

Handling direct relationships for both business and retail customers, the Commercial Banking business unit has once again delivered a year of growth through tailoring innovative products to individual requirements.

2 Commercial Banking

The packaged trade finance solutions launched by the operation during 2011 continued to prove a key driver of growth, exceeding targets in terms of both volume and income generated. These products, which leverage Access Bank Group's long-term relationships with Nigerian companies to provide highly competitive rates for import transactions, are now generating demand outside the traditional oil and gas arena with agriculture presenting a particular area of opportunity. In 2013, we will be exploring opportunities for packaged trade finance in Ghana, potentially opening up new revenue streams for the Commercial Banking operation.

The Commercial Banking business unit has also worked closely with our Asset Management operation on the development of the Investor Visa and the bank's buy-to-let property loan portfolio. In each case, the provision of asset management and lending-based services further strengthens the commercial banking offering by providing an end-to-end solution for companies and individuals. And this continues to be underpinned by our well-established reputation for customer service.

Total loans and advances to customers

£46.8M

+59% yoy

This year delivered significant growth for our private banking and asset management business unit, backed by demand for a broader range of customer solutions.

3 Asset Management

A continued focus on building deeper customer relationships has driven a significant increase in the assets under management, whilst helping to broaden its product range to meet customer needs.

Assets under management increased from £3.6m to £12.3m by the end of 2012, with total private banking funds (including bank accounts) reaching £15.4m.

Deeper relationships with Access Bank UK clients are creating demand not only for managed assets in Dollar, Sterling and Euro currencies, but for an increased breadth of loan-based products. In addition to buy-to-let property loans for Access Bank Group customers looking to invest in UK properties, the Asset Management operation is benefiting from demand for discretionary portfolio loans and the Investor Visa, which provides a path to qualification for a UK passport through investing in qualifying assets.

The growth of the private bank is being supported by a heightened brand profile and our continued commitment to individual customer service, with our consistent presence in both Lagos and Abuja providing the opportunity for face-to-face client contact throughout the banking relationship.

Our Treasury business unit exceeded revenue targets during the year whilst maintaining an approach that aligns with our moderate appetite for risk.

4 Treasury

Portfolio returns

+14.09%

based on USD portfolios (pre fees)

Assets under management

£12.3M

+242%

Access Bank UK's Treasury operation hedges foreign exchange risk for Access Bank Group clients conducting trade finance business, whilst placing the capital of the Access Bank UK in the most effective manner possible in line with our moderate appetite for risk. The operation does so through a small open position on foreign exchange markets, managing non-sterling cash flows to maximise profitability, whilst placing capital in bonds and money markets. At the same time as providing revenue potential, our bond portfolio operates as a liquidity buffer meeting PRA regulatory requirements.

Treasury revenues reached £2.4m during 2012, an increase of 26% on the previous year. This uplift was driven primarily by growth in foreign exchange and bonds, fuelled by access to a higher quality liquidity pool in foreign exchange, and the exercise of effective judgement on bond purchases. Diminished interest rates combined with the bank's risk appetite necessitated a relatively smaller contribution from money markets.

The Treasury business unit reflects the bank's risk appetite in every aspect of its dealings, conducting transactions primarily with investment-grade institutions, and only with banks considered to be both stable and systemically important. We shall maintain this approach as we look to develop the potential growth contribution of the business unit during the next five years, including the potential for investment in additional front-end systems and for careful expansion in the range of products that we trade.

Balance sheet assets under management

£457M

+26% yoy

Corporate Responsibility

A sustainable business

Access Bank UK is firmly committed to developing a sustainable business model that can underpin growth and opportunity in Nigeria, Sub-Saharan and West Africa. This commitment is reflected in our values as a business (see page 5).

Passion for customers and those empowered through our business
In addition to service excellence in general, we strive to achieve the following goals for those involved with our products:

- Economic empowerment: enabling people to achieve more through provision of finance, lifting people up throughout the value chain
- Financial education: helping people clearly understand how our products and services work
- Financial inclusion: providing finance to those individuals and communities that traditionally have limited or no access to finance
- Treating customers fairly: building long-term relationships based on trust, fairness and transparency.

Empowering our employees
We are committed to helping our employees reach their full potential through providing continuous learning opportunities, and the tools and training to help them grow. We encourage a sense of individual ownership whilst fostering team spirit and are firmly committed to the diversity of our workforce.

We are proud to have been awarded Investors in People (IIP) accreditation, which we have held since 2011, and we believe that our consistently low staff turnover rate of 8% reflects in part the advances that we have made in training and development.

Supporting the broader community
Access Bank Group supports UNICEF through the high-profile Access Bank Charity Shield polo matches in Nigeria that have run for the past five years in conjunction with 5th Chukker. During 2012, the UK hosted its first Access Bank Charity Shield, sponsored by Access Bank UK's Private Bank, which provides a foundation for extending this charity partnership to the UK.


access

Risk Management

Our approach to risk management

During 2012, Access Bank UK took the opportunity to define our risk appetite in the form of a published Risk Appetite Statement. This statement covers all areas of credit, liquidity and operational risk, and will define our development of new products and strategies over the next five years.

At the same time as formalising our position on risk, we have further strengthened the risk management tools across our business with the establishment of an Operational Risk Management Team in addition to existing teams covering credit risk, compliance and anti-money laundering. We have also developed and refined the Key Risk Indicators that provide an early warning system for our top ten business risks.

During the year, we successfully complied with all relevant requirements of the European Banking Authority's Recovery and Resolution Plan (RRP), providing a deep analysis of significant loss and continuity risks. This exercise built on our existing work identifying the top ten risks for the bank, which forms part of our 'three-line of defence' risk management model.

In addition to identifying the key risks, we provide control through frontline staff, compliance and risk management functions, and auditors and directors. We support this strategy with an employee culture in which our risk strategy is firmly embedded and clearly communicated. Risk management is closely integrated within our operations through the attendance of our Risk & Compliance Director at the Executive Committee and all sub-committees and through our approach of focusing on investment-grade institutions, and only dealing with those banks that are generally considered to be both stable and systemically important.

We continue to monitor the ten most significant risks for our business as follows:

Risk	Control strategy
Business Continuity Risk Losses arising from disruption of business or system failures, including people, systems or infrastructure failures.	All IT is supported by an offsite recovery centre that is designed to ensure records are secured and operations can be recovered. The Bank has an IT Disaster Recovery plan that has been the subject of a satisfactory audit review. The Bank has enhanced recovery plans by contracting with a work area recovery provider to enable staff to continue to operate in London and Manchester in the event of any interruption or office access restriction. Remote access services for some critical actions have been implemented with HSBC to ensure that these transactions can be performed in the event that systems are lost.
Documentation Risk Documentation risk comprises of four areas of risk: Breach of data handling rules according to the Data Protection Act (DPA); PRA and FCA Record Keeping Rules; Accuracy; and Archiving and Recovery.	Our strategy incorporates clear policies and procedures, and document maker/checker requirements. Systemic record retention procedures have been established to ensure that records are retained for all systemic activity, currently indefinitely. The Bank has strict policies and procedures to ensure compliance with the Data Protection Act. These include system controls and safeguards that restrict the misuse of data. Documents are required to be the subject of compliance and senior manager review and oversight. Data is held securely on systems and is 'backed up' on secure and remote locations to ensure that records can be recovered in the event of loss.
Regulatory Risk Impact of New Regulation; Regulatory Returns; Licensing and Authorisation; Compliance with Laws and Regulations.	Regulation requirements are documented in the Compliance Policy and Anti Money Laundering / Combatting the Financing of Terrorism Policy. All new and existing employees are required to review these requirements on a regular basis and, when joining the Bank, identify new rules and amendments to ensure we maintain the highest standards in this important area. An update is provided monthly to the senior management on all new regulatory changes.
Financial Crime Risk The risk of: Internal Staff Theft and False Accounting; Third Party Fraud; Management Fraud; Cyber Crime; and a failure to prevent corruption and bribery as detailed in the Bribery Act 2010. Losses typically involving at least one external third party and/or involving internal staff due to fraud, misappropriation of property or breach of regulations or Bank policy. Cybercrime is criminal activity performed using computers and the internet. This includes stealing from online bank accounts and non-monetary offences, such as creating and distributing viruses.	The Bank has an active monitoring plan to identify 'phishing' site activity and takes immediate action to have these sites removed. The Bank cannot prevent the proliferation of these sites and phishing activity on the internet, and the threat will therefore not be contained and will persist. Front office and back office segregation and four eyes principle controls exist over transactions. Security checks on identity are required to be performed. Call back procedures are performed for payments and all other instructions. The threshold for these controls is subject to periodic change. Internet controls are in place to ensure appropriate security checks are required to be satisfied by customers.

Risk	Control strategy
Liquidity Risk Liquidity risk is the risk that the Bank is unable to meet its payment obligations when they fall due and to replace funds when they are withdrawn. There are two forms of liquidity risk: market liquidity and funding liquidity.	The Bank has a high level of cash holding, above the required regulatory standards, and is not highly leveraged. The Finance Director monitors the Bank's position according to Individual Liquidity Adequacy Assessment (ILAA) and Individual Capital Adequacy Assessment Process (ICAAP). The Asset and Liabilities Committee (ALCO) meets regularlyto review positions. The FSA previously approved the Banks ICAAP modelling and stress testing in 2011.
Credit Risk Credit risk is a combination of the following: Unauthorised lending; Base rate lending changes; Country or Sovereign Risk; Concentration Risk; New Products; Collateral; and Credit Default.	A risk review is conducted at the design stage for each new product/service to identify risks. The Credit Risk team undertakes an analysis of the counterparty risks to provide an independent critical analysis of business, financial, management and security risks to formulate a structured view on the realistic probability of default and loss in the event of any default of the Counterparty. The Credit Risk team monitors the value of ongoing security. The risk assessment process requires that each credit proposition is reviewed and approved by the Management Credit Committee.
Counterparty Risk The Counterparty Exposure Limit refers to the maximum transaction exposure the Bank can have to a counterparty and a requirement to perform ongoing due diligence on trading counterparties and determine the risk on complex transactions.	Credit limits are monitored by the Credit Risk and Finance Department. Limits are publicised to the Treasury team to assist with compliance and adherence. New online and real-time systems are being improved which support adherence to these limits. The Bank employs highly qualified Treasury personnel who are supervised by the MD/CEO of the Bank.
Staff Competence Risk Staff Competence Risk covers: Training and Competence; Health and Safety; Resourcing and Remuneration.	All senior appointments are the subject of review and approval by the parent, PRA and FCA, and the MD/CEO of the Bank. All staff appointments are the subject of review and interview by the CEO/MD together with appropriate EXCO members. A wider program of personal development is being managed to improve broader competency amongst Bank employees. The Bank has a policy of reward and remuneration that sits in the upper quartile of industry expectations.

Risk	Control strategy
Key Person Risk The risk covers the need for Succession Planning and Professional Indemnity Insurance. The primary reason for business succession planning is to assure that business risk is minimised and is focused on identifying specific back-up candidates for given senior management positions.	The Bank is a wholly owned subsidiary of an established Nigerian bank which remains committed and supportive of the development of the UK bank. The ICAAP and ILAA is prepared on an annual basis and fully reviewed and updated each quarter at ALCO and any changes presented to Board meetings each quarter. IT Steering Committee reviews the prioritisation and management of IT projects to ensure that appropriate resource is applied to the most important and priority needs of the Bank and customers.
Strategic Risk The loss resulting from a strategy that is defective, ineffective or inappropriate. This includes consideration of: competitor analysis; capital availability; political influence and change; industry; technology and innovation; and customer demand and requirement.	The Bank is a wholly owned subsidiary of an established Nigerian bank which remains committed and supportive of the development of the UK bank. The bank operates a robust five-year planning process which takes all strategic risks into account. The ICAAP and ILAA is prepared on an annual basis and fully reviewed and updated each quarter at ALCO and any changes presented to Board meetings each quarter. IT Steering Committee reviews the prioritisation and management of IT projects to ensure that appropriate resource is applied to the most important and priority needs of the Bank and customers.

Board of Directors

1. Mr Aigboje Aig-Imoukhuede, CON
Chairman and Non-Executive Director

Aigboje Aig-Imoukhuede is the Group Managing Director and Chief Executive Officer of Access Bank Plc. Under his leadership, Access Bank has become a globally recognised institution, receiving awards for its contribution towards the growth of the Nigerian banking industry. The Bank has demonstrated continued leadership in the local implementation of best practices in corporate governance, risk management, responsible business practices and sustainability initiatives.

Aigboje holds a number of Non-Executive positions including Chair of Nigeria's Financial Market Dealers Association, the Bankers' Committee Sub-Committee on Economic Development and Sustainability, Associated Discount House Ltd and WAPIC Insurance Plc. He is the first African Co-Chair of GBC Health, and Chairs the Friends of the Global Fund for Africa. He is also a Board member of the African Finance Corporation, Commonwealth Business Coalition, is a member of the National Economic Management Team, the Private Sector Advisory Group to the Global Fund, and First Vice President of the Nigeria Stock Exchange. He has also served on several Presidential Committees.

Aigboje is an alumnus of the Harvard Business School Executive Management Programme, and a Fellow of the African Leadership Initiative under the auspices of the Aspen Institute, Colorado USA. He holds LLB and BL degrees from the University of Benin and the Nigeria Law School respectively, and holds an Honorary Fellowship of the Chartered Institute of Bankers of Nigeria. He has obtained post graduate certifications from a number of institutions including Harvard Business School, IMD Lausanne, and Citicorp Institute of Finance.

Aigboje was awarded the prestigious National Honour, Commander of the Order of the Niger, in recognition of his contributions to the development of the Nigerian economy.

2. Mr Derek Ross
Independent Non-Executive Director

Derek Ross has 42 years experience in banking, corporate treasury and finance. He is a Chartered Accountant, a Chartered Management Accountant and a Fellow of the Association of Corporate Treasurers. He is a retired Partner of Deloitte London, where he was responsible for the Capital Markets and Risk practice and where his clients included most of the major banks and over a quarter of the Top 100 companies. He has served on the Boards of Nationwide Building Society and Friends Life, and is currently on the Boards, and Chairs the Audit Committtees of GE Capital Bank, Sumitomo Mitsui Banking Corporation Europe and Depository Trust and Clearing Corporation.

3. Mr Tim Wade
Independent Non-Executive Director

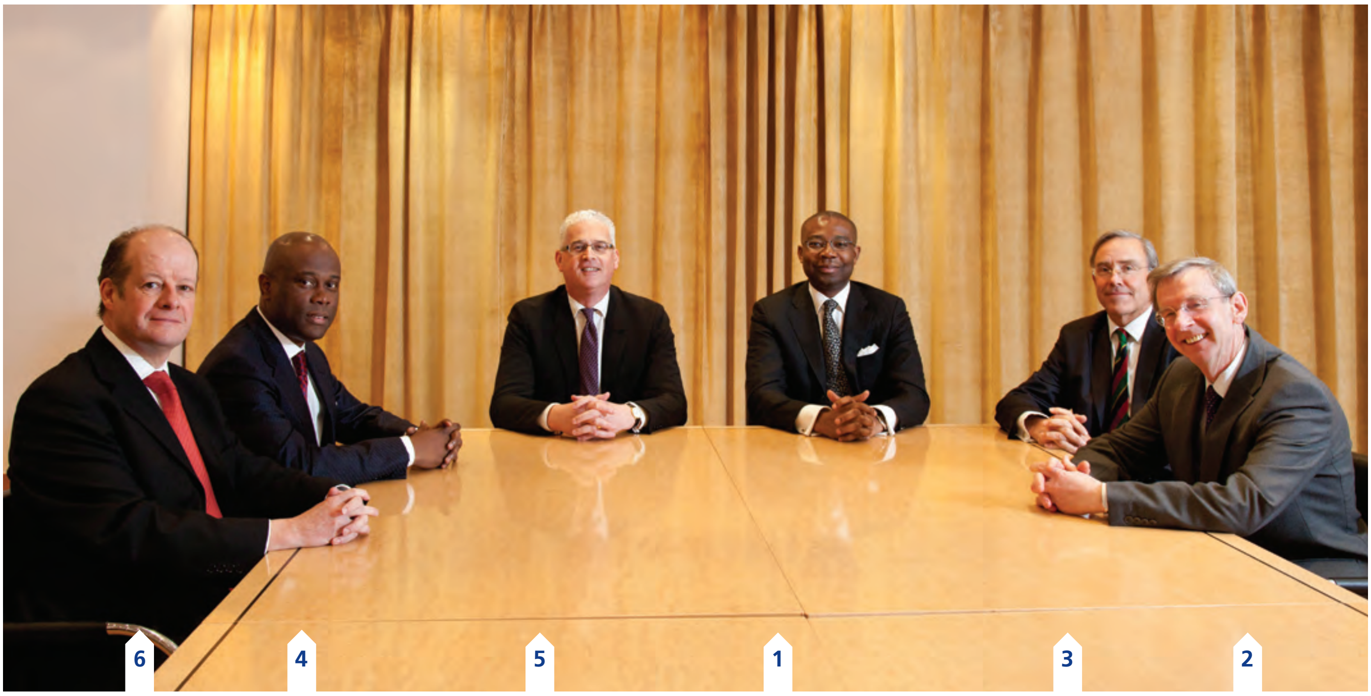
Tim Wade was formerly a Managing Director of AMP Limited, responsible for the Group's banking operations in the UK and Australia. Previously, Tim was Chief Financial Officer of Colonial Limited, where he was an Executive Director of Colonial State Bank Limited. Before that, Tim worked at Arthur Andersen in Melbourne and Singapore where he became a Partner in 1992. Tim is qualified as a lawyer and an accountant, and has a long career in financial services around the world. Tim is Chairman of the Credit and Remuneration Committees of Access Bank UK Limited.

Tim is an Independent Non-Executive Director at Resolution Limited, Macquarie Bank International Limited and Monitise PLC. He Chairs the Audit Committee of all three companies. He is also the Chair of the Board of Governors of Coeliac UK.

4. Mr Herbert Wigwe
Non-Executive Director

Herbert Wigwe is the Deputy Group Managing Director of the Access Bank Group. He started his professional career with Coopers and Lybrand Associates, an international firm of Chartered Accountants before he joined Guaranty Trust Bank. At Guaranty Trust Bank, his portfolios included Financial Institutions, Corporates and Multinationals before resigning as an Executive Director after 10 years to co-lead the transformation of Access Bank Plc in March 2002.

He is an Alumnus of Harvard Business School Executive Management Programme, holds Masters Degrees in Banking and International Finance from the University College of North Wales and Financial Economics from the University of London respectively. He is a Fellow of the Chartered Institute of Accountants of Nigeria and holds a BSc Degree in Accounting from the University of Nigeria, Nsukka.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5. Mr Jamie Simmonds

Chief Executive Officer/ Managing Director

Jamie was appointed the founding Chief Executive Officer/ Managing Director of The Access Bank UK Limited in January 2008. He is an alumnus of Harvard Business School Executive Management Programme. Jamie is also an Associate of the Chartered Institute of Bankers, a Certified Financial Adviser and also a member of the Foreign Bankers Association.

He has enjoyed a career spanning 36 years in the Financial Services holding a series of Director roles for National Westminster, Coutts, Royal Bank of Scotland, Gerrards and Close Brothers. He has a proven track record in the startup and turnaround of financial service business delivering sustainable benefits for all stakeholders. He has extensive knowledge of both Corporate, Retail and Private Banking services.

6. Mr Sean McLaughlin

Finance Director

Sean McLaughlin is a Chartered Accountant with excellent financial and operational management skills. He has over 15 years of proven success gained in senior positions with international investment banking institutions. He qualified with Deloitte, and worked as a Senior Manager specialising in the auditing of complex banking and securities firms. He spent ten years at Credit Lyonnais Securities as finance director, where he also had responsibility for the settlements and middle office departments. He then worked for five years at Robert W Baird Limited, the UK subsidiary of the US investment bank, as chief operating officer with responsibility for all operational functions. Prior to joining Access in 2008 he spent two years with an internet start-up developing a property trading exchange dealing with small institutions and investors.

Directors' Report

The Directors of The Access Bank UK Limited have pleasure in presenting the Annual Report, together with the audited financial statements, for the year ended 31 December 2012.

Principal activities

The Access Bank UK Limited (the "Bank") is a wholly owned subsidiary of Access Bank Plc, a major bank in Nigeria. Access Bank Plc ranks among the top five banks in Nigeria by most metrics.

The Bank was authorised by the Financial Services Authority ("the FSA") on 12 August 2008.

The principal activities of the Bank are to provide trade finance, treasury services, correspondent banking, commercial banking, private banking, and asset management to customers.

Financial results

The financial statements for the year ended 31 December 2012 are shown on pages 26 to 47. The profit after tax for the year amounted to £1,802,699 (2011: £1,269,980).

Business review

Introduction

This business review sets out the nature, objectives and operations of the Bank, together with the principal risks and uncertainties we face. It is followed by a business review of the development and performance of the Bank.

The Access Bank UK Limited's philosophy

The Bank has been established in the UK in order to expand the business model of Access Bank Plc. The Bank's aim is to assist the Access Bank Group in achieving its vision of becoming the most respected Bank in Africa.

Nature of the business

The Bank has been established to provide trade finance, treasury services, correspondent banking, commercial banking, private banking, and asset management to customers, and seeks to differentiate itself from other banks currently operating in the UK through excellence in customer service, with a focus on establishing strong relationships with all our customers. The Bank is taking advantage of opportunities available in the provision of international banking, trade finance, asset management and treasury services to both corporate and personal customers.

Operations

The Bank has been authorised by FSA to undertake a wide range of banking activities. The permissions granted to the Bank are set out in the FSA website at:

http://www.fsa.gov.uk/register/firmBasicDetails.do?sid=197517

The Bank's registered office is the Bank's operations centre: 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire, CW9 7UT.

The Directors of the Bank are listed in this Report on page 23.

Principal risks and uncertainties

The principal risks and uncertainties that the Bank faces vary across the different businesses and are the focus of the Board Risk and Audit Committee. The Bank has adopted the Three Lines of Defence Risk Management Framework familiar in the UK financial services environment.

The Bank has continued to use Grant Thornton LLP as the internal auditors for the Bank on an outsourced basis.

The Internal Capital Adequacy Assessment Process ("ICAAP") is the process under which the management of the Bank oversees and regularly assesses:

- the Bank's processes, strategies and systems;
- the major sources of risk to the Bank's ability to meet its liabilities as they fall due;
- the results of internal stress testing of these risks; and
- the amounts and types of financial and capital resources and whether they are adequate to cover the nature and level of the risks to which the Bank is exposed.

These risks are continually assessed in line with the Bank's business, and include credit risk, market risk, liquidity risk, and operational risk (further discussed in note 17).

The Individual Liquidity Adequacy Assessment ("ILAA") is the process under which the management of the Bank oversees and regularly assesses:

- the Bank's liquidity Management framework;
- the quantification of the Bank's liquidity risks;
- the effects of stress testing on these liquidity risks;
- how the Bank seeks to mitigate theses risks; and
- the level of liquidity buffer required in light of these risks.

As at 31 December 2012, the Bank did not have any credit exposure related to Portugal, Ireland, Italy, Greece or Spain.

The Bank's business is subject to varying legislation and regulation within the UK including the Financial Services and Markets Act 2000, specific financial services regulation such as from the FSA and the Office of Fair Trading, the Data Protection Act 1998, as well as health and safety and employment law.

Capital structure and capital management

The Bank's issued share capital amounts to £32 million divided into 32,000,000 shares of £1 each.

On 17 February 2011 the Bank received a Long Term Subordinated Loan of $15 million from Access Bank Plc. This has a tenor of ten years and qualifies as Tier 2 Regulatory Capital.

The Bank manages its capital to ensure that it can meet its regulatory capital and liquidity requirements, and that it will be able to continue as a going concern while maximising return to shareholders through optimally managing its credit, market, liquidity and operational risk.

Development and performance of the Bank

The Bank has continued to grow its customer base and increase its product offering, increasing operating income by 8% during the year.

The Bank saw growth in fees and commission income, reflecting strong growth in trade finance activity and also the result of the recently launched asset management division. Net Interest Income declined in the period as a result of an increase in interest expense, due to an increase in interest rate requested by Access Bank Plc for their term deposits placed with the Bank. A further analysis of revenue is included in note 5 of the financial statements.

The Bank whilst expanding staff numbers, continues to keep a tight control on costs, which rose by 2.8% during the year.

On 31 January 2012, the Bank's parent company, Access Bank Plc, announced that it had completed the merger with Intercontinental Bank Plc, a fellow Nigerian Bank with operations in the UK. The UK operations of Intercontinental Bank Plc were run independently of the Bank pending disposal, and on 2 April 2013, the sale of Intercontinental Bank UK Plc was completed.

Dividend

No dividends were paid during the year. The Directors do not recommend a final dividend on ordinary shares to be paid in respect of the year.

Directors

The Directors, who served throughout the year, were as follows:

A Aig–Imoukhuede	(Chairman)
D Ross	(Independent Non Executive Director)
T Wade	(Independent Non Executive Director)
H Wigwe	(Non Executive Director)
J Simmonds	(Chief Executive Officer / Managing Director)
S McLaughlin	(Finance Director)

Directors' indemnities

The Bank has made qualifying third party indemnity provisions for the benefit of its Directors during the year, and these remain in force at the date of this Report.

Going concern

As at the year end, the Directors have a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future and have adopted the going concern basis in preparing financial statements of the Bank.

Political contributions and charitable donations

No political or charitable donations were made during the year.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Bank's auditors are unaware, and that each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information, and to establish that the Bank's auditors are aware of that information.

Auditors

Following ten years of auditing the Bank's parent, Access Bank Plc, KPMG Professional Services are required to stand down as auditor under the Prudential Guidelines for Money Deposit Banks in Nigeria (effective 1 July 2010).

Access Bank Plc has appointed PwC Nigeria as their auditors.

On the signing of these accounts, KPMG Audit Plc will stand down as the Bank's auditors and it is the intention of the Bank that the Directors will appoint PwC LLP as auditor.

Approved by the Board of Directors and signed on behalf of the Board.

J Simmonds
Director
22 April 2013

Company Registration No. 06365062

Statement of Directors' Responsibilities in respect of the Directors' Report and Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for keeping 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of The Access Bank UK Limited

We have audited the financial statements of The Access Bank UK Limited for the year ended 31 December 2012 set out on pages 26 to 47[1]. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate[2].

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Samer Hijazi (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

22 April 2013

[1] The statutory financial statements were originally published outside this Annual Report and Accounts. The page numbers used in this Annual Report and Accounts are different to when the statutory financial statements were originally published. Therefore in this audit report, the numbers here have been changed merely so that the page references are consistent with the reproduction in this Annual Report and Accounts. The original page numbers in the audit report on the statutory financial statements referred to pages 9 to 38.

[2] The statutory financial statements were originally published outside this Annual Report and Accounts. The surround information that existed with those statutory financial statements has been reproduced in this Annual Report and Accounts on pages 22 to 24 of this Annual Report and Accounts. In giving their audit report on 22 April 2013, KPMG Audit Plc were required to read all financial and non-financial information that existed with those statutory financial statements and consider whether such "other information" is consistent with the audited financial statements. They were required to consider the implications for its audit report if it becomes aware of any material inconsistencies with the statutory financial statements or any apparent material misstatements in the other information. The information included on pages 1 to 21 and 48 & 49 of this Annual Report and Accounts did not form part of the surround information that existed with those statutory financial statement. Hence their audit report which was given on 22 April 2013 did not consider the information now included on pages 1 to 21 and 48 & 49 of this Annual Report and Accounts.

Statement of Comprehensive Income
For the year ended 31 December 2012

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Income			
Interest income	4	**4,589,983**	3,987,026
Interest expense		**(1,378,348)**	(513,022)
Net interest income		**3,211,635**	3,474,004
Fee and commission income	5	**6,488,672**	5,436,991
Other income		**704,790**	719,841
Operating income		**10,405,097**	9,630,836
Expenses			
Personnel expenses	7	**(5,338,423)**	(4,778,928)
Depreciation and amortisation		**(295,453)**	(335,071)
Other expenses		**(2,968,721)**	(3,246,857)
Operating profit before tax		**1,802,500**	1,269,980
Taxation	10	**–**	–
Profit for the year		**1,802,500**	1,269,980
Other comprehensive income			
Unrealized profit on available-for-sale financial assets		**199**	–
Total comprehensive profit for the year		**1,802,699**	1,269,980

The notes on pages 30 to 47 form an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2012

	Note	31 December 2012 £	31 December 2011 £
Assets			
Cash at bank		**18,809,557**	19,641,450
Money market placements		**336,823,322**	208,836,078
Loans and advances to banks		**23,397,055**	64,014,531
Loans and advances to customers		**46,754,465**	29,385,087
Held to maturity investments		**22,159,310**	35,295,237
Available for sale investments		**4,924,346**	–
Property, plant and equipment	11	**283,313**	357,382
Intangible assets	12	**334,166**	456,481
Other assets	13	**2,741,055**	3,582,375
Deferred tax	10	**889,000**	889,000
Total assets		**457,115,589**	362,457,621
Liabilities			
Deposits from banks		**323,558,254**	232,300,376
Deposits from customers		**97,485,685**	95,645,314
Other liabilities	14	**1,684,887**	1,498,396
Subordinated liabilities	18	**9,233,610**	9,663,081
Total liabilities		**431,962,436**	339,107,167
Equity			
Share capital	19	**32,000,000**	32,000,000
Retained earnings		**(6,847,046)**	(8,649,546)
Available for sale reserve		**199**	–
Total equity attributable to the equity holders of the Bank		**25,153,153**	23,350,454
Total liabilities and equity		**457,115,589**	362,457,621

The notes on pages 30 to 47 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2013.

They were signed on its behalf by:

J Simmonds
Managing Director / Chief Executive Officer
22 April 2013

S McLaughlin
Finance Director

Company Registration No. 06365062

Statement of Changes in Equity
For the year ended 31 December 2012

	Share capital £	Retain earnings £	Available for sale reserve £	Total equity £
Balance as at 1 January 2012	**32,000,000**	**(8,649,546)**	**–**	**23,350,454**
Profit for the year	–	1,802,500	199	1,802,699
Shares issued	–	–	–	–
Balance at 31 December 2012	**32,000,000**	**(6,847,046)**	**199**	**25,153,153**

	Share capital £	Retain earnings £	Available for sale reserve £	Total equity £
Balance as at 1 January 2011	32,000,000	(9,919,526)	–	22,080,474
Profit for the year	–	1,269,980	–	1,269,980
Shares issued	–	–	–	–
Balance at 31 December 2011	32,000,000	(8,649,546)	–	23,350,454

The notes on pages 30 to 47 form an integral part of these financial statements.

Statement of Cash Flow
For the year ended 31 December 2012

	Note	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Cash flows from operating activities			
Profit for the year		**1,802,699**	1,269,980
Adjustments for:			
Depreciation	11	**92,057**	141,332
Amortisation	12	**203,397**	193,739
Deferred tax		**–**	–
Revaluation gain on investment securities		**(199)**	–
Exchange translation on subordinated loan		**(429,471)**	–
Loss on disposal of fixed assets		**3,333**	–
Operating cash flows before movements in working capital		**1,671,816**	1,605,051
Changes in money market placements		**(127,987,244)**	(25,002,001)
Changes in loans and advances		**23,248,098**	(60,304,507)
Changes in other assets		**841,320**	301,880
Changes in balances due to banks		**91,257,878**	45,239,295
Changes in balances due to customers		**1,840,371**	52,650,109
Changes in other liabilities		**186,491**	283,793
		(8,941,270)	14,773,620
Taxation paid		**–**	–
Net cash inflow from operating activities		**(8,941,270)**	14,773,620
Cash flows from investing activities			
Changes in investment securities		**8,211,780**	(11,686,936)
Purchase of property, plant and equipment		**(22,421)**	(123,114)
Proceeds from disposal of property, plant and equipment		**1,100**	–
Purchase of intangible assets		**(81,082)**	(2,308)
Net cash used in investing activities		**8,109,377**	(11,812,358)
Cash flows from financing activities			
Receipt of subordinated loan		**–**	9,663,081
Net cash inflows from financing activities		**–**	9,663,081
Net (decrease)/increase in cash and cash equivalents		**(831,893)**	12,624,343
Cash and cash equivalents at the beginning of the year		**19,641,450**	7,017,107
Cash and cash equivalents at the end of the year		**18,809,557**	19,641,450

The notes on pages 30 to 47 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2012

1. General information

The Bank was incorporated in the United Kingdom on 10 September 2007 under the Companies Act 1985. The address of the registered office is 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire, CW9 7UT. The parent and ultimate parent undertaking is Access Bank Plc, a Bank incorporated in Nigeria. The Bank primarily provides trade finance, treasury services, correspondent banking, commercial banking, private banking, and asset management to customers.

The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

- Amendment to IAS 12 Deferred Tax : Recovery of Underlying assets
- Amendments to IFRS 7 Disclosures – Transfers of Financial Assets

The Bank is not required to adopt the following Standards and Interpretations which are issued by IASB but not yet effective (and in some cases had not yet been endorsed by the EU):

- IAS 1 (revised June 2011) Presentation of Financial Statements : Items of Other Comprehensive Income
- Amendments to IAS 32 (December 2011) Financial Instruments Presentation – Amendments to Application Guidance on the Offsetting of Financial Assets and Financial Liabilities
- IFRS 9 Financial Instruments – Classification and Measurement of Financial assets and – Accounting for Financial Liabilities and De-recognition (not yet endorsed by EU)
- IFRS 13 Fair Value Measurements

The Bank is currently evaluating the impact of the above and other new standards, amendments to standards, revisions and interpretations.

The impact of IFRS 9 is likely to depend on the outcome of the other phases of IASB's IAS 39 replacement project which is yet to be finalized.

2. Basis of preparation and significant accounting policies

The financial statements have been prepared and approved by the directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board and adopted by the EU.

The financial statements have been prepared under the historical cost accounting convention except for financial assets and liabilities stated at their fair value comprising available for sale securities and the fair value of foreign exchange agreements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Bank's financial statements.

The Bank's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 22 & 23. Note 17 to the financial statements includes the Bank's financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit and liquidity risk.

The Bank has considerable financial resources. As a consequence, the directors believe that the Bank is well placed to manage its business risks successfully despite the uncertain economic outlook.

Foreign currencies
The financial statements are presented in sterling, which is the Bank's functional and presentation currency; transactions in foreign currencies are initially recorded at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the balance sheet date. Non-monetary assets and liabilities are translated into sterling at the effective historical rate used on the date of initial recognition.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the profit or loss for the year.

Changes in accounting policy
There have been no changes in accounting policy during the year.

Presentation of financial statements
The Bank has applied revised IAS 1 Presentation of financial statements.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable for providing loans, overdrafts and services in the normal course of business, net of discounts and VAT if applicable.

Interest income and expense
Interest income and expense for all interest bearing financial instruments are recognised in interest and similar income and interest expenses and similar charges in the income statement using the effective interest rates of the financial assets or financial liabilities to which they relate.

Fee and commission income
The Bank earns fee income from services it provides to its customers. Fee income is accounted for as follows:

i. if the income is earned on the execution of a significant act, it is recognised as revenue when the significant act has been completed (for example, fees arising on negotiating a transaction for a third party, such as the arrangement for the acquisition of securities);

ii. if the income is earned as services are provided, it is recognised as revenue as the services are provided (for example, documentary credit confirmation fees, custody and banking service fees); and

iii. if the income is an integral part of the effective interest rate of a financial instrument, it is recognised as an adjustment to the effective interest rate (for example, loan origination fees) and recorded over the period for which the service is provided.

Cash and cash equivalents
For the purpose of the cash flow statement, cash and cash equivalents are deemed to comprise cash at other banks repayable on demand.

Financial instruments
Financial assets and financial liabilities are recognised in the Bank's balance sheet when the Bank becomes a party to the contractual provisions of the instrument.

Financial assets
All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. The Bank chooses not to disclose the effective interest rate for debt instruments that are classified as at fair value through profit or loss.

Financial assets at FVTPL
Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the Bank is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Held to maturity
Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

Loans and receivables
Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Collateral and other credit enhancements
The Bank holds collateral against loans and advances to customers in the form of cash margins, pledges/liens over deposits, mortgage, interests over property, other registered securities over assets and guarantees. The Bank accepts guarantees mainly from well reputed local or international banks financial institutions, well established local or multinational organisations, large corporates and high net worth individuals. Estimates of fair value are based on the value of collateral assessed at the time of borrowing which are updated during annual reviews. Generally, collateral is not held over loans and advances to other banks or financial institutions.

It is the Bank's policy to ensure that loans are extended to customers within their capability to service interest and repay principal instead of relying excessively on securities. Accordingly, depending on customers' credit worthiness and the type of product, facilities may be unsecured. Nevertheless, collateral is and can be an important credit risk mitigant.

Notes to the Financial Statements (continued)

2. Basis of preparation and significant accounting policies (continued)

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For bonds classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Bank's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS debt instrument is considered to be impaired, cumulative gains previously recognised in equity are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets
The Bank derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

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

Financial guarantee contract liabilities
Financial guarantee contract liabilities are measured initially at their fair values and are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Financial liabilities
Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed

and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the Bank is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss as the Bank chooses not to disclose the effective interest rate for debt instruments that are classified as at fair value through profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities
Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire.

Derivative financial instruments
The Bank may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 14 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

Valuation of financial instruments
The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Property, plant and equipment
Property, plant and equipment are stated at cost less depreciation calculated on a straight-line basis to write-off the assets over their estimated useful lives as follows:

Computer equipment	3 years
Furniture, fixtures and fittings	5 years
Plant and Machinery	5 years
Motor Vehicles	4 years
Leasehold improvements	Over the period of the lease

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Notes to the Financial Statements (continued)

2. Basis of preparation and significant accounting policies (continued)

Intangible assets

Other non-internally generated intangible assets

Intangible assets are stated at cost or fair value on recognition less accumulated amortisation and any impairment in value.

Amortisation is calculated so as to write off the cost or valuation of intangible assets over their estimated useful lives, using the straight-line method, on the following bases:

Software .... 5 years

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of non-financial assets

The Bank reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the asset is written down to its recoverable amount. An impairment loss is recognised as an expense.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Taxation

Tax expense represents the sum of the tax currently payable and deferred tax payable.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Pension costs

The Bank operates a defined contribution pension scheme for all staff. The cost of the scheme is equal to the contributions payable to the scheme for the accounting period and is recognised within "Administrative expenses" in the income statement. The Bank has no further obligation once the contributions have been paid.

3. Critical accounting judgements and key sources of estimation uncertainty

The Bank's principal accounting policies are set out above. UK company law and IFRS require the directors to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. Where accounting standards are not specific and management have to choose a policy, International Accounting Standard ("IAS") 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requires them to adopt policies that will result in information that is relevant, reliable, free from bias, prudent and complete in all material respects. The directors consider that the estimates made in respect of deferred tax are appropriate for the preparation of these financial statements (further discussed in note 10).

4. Interest income

	2012 £	2011 £
Derived from		
Cash and cash equivalents	**4,432**	3,586
Loans and advances to banks	**1,575,143**	1,248,868
Loans and advances to customers	**2,121,006**	2,166,023
Investment securities	**889,402**	568,549
Total interest income	**4,589,983**	3,987,026

5. Fee and commission income

	2012 £	2011 £
Derived from		
Trade finance	**5,707,996**	4,973,838
Funds transfer	**198,561**	142,308
Other	**582,115**	320,845
Total fees and commission income	**6,488,672**	5,436,991

6. Business and geographical segments

The Bank has one main activity, banking, which is carried out in the United Kingdom.

7. Information regarding directors and employees

Employment costs are as follows:

	2012 £	2011 £
Personnel expenses		
Wages and salaries	**4,306,630**	3,939,470
Pension contributions under defined contribution scheme	**354,535**	312,036
Compulsory social security obligations	**477,949**	424,366
Other expenses	**199,309**	103,056
	5,338,423	4,778,928

	2012	2011
Number of employees at year end	**87**	74
Average number of employees during the year	**82**	68

At the year end, there were 41 (2011: 35) employees involved in fee-earning roles and 46 (2011: 39) in administration.

Included within employment costs are:

	2012 £	2011 £
Directors' remuneration and fees		
Fees	**140,000**	140,000
Other emoluments	**639,744**	667,750
Pension contributions	**58,074**	56,000
	837,818	863,750

The highest paid Director received emoluments excluding pension contribution totalling of £353,200 (2011: £395,000) and pension of £34,320 (2011: £33,500). Retirement benefits are accrued under defined contribution schemes.

Notes to the Financial Statements (continued)

8. Operating profit before tax

	2012 £	2011 £
Operating profit before tax is stated after charging		
Depreciation	**92,057**	141,332
Amortisation	**203,397**	193,739

9. Auditor's remuneration

	2012 £	2011 £
Audit and related services		
Audit of these financial statements	**64,000**	60,000
Audit of the year end group reporting package	**20,000**	20,000
Audit of the half year group reporting package	**25,000**	25,000
	109,000	105,000
Non-audit services		
Other services relating to corporate taxation	**1,750**	–
Other advisory services	**–**	8,310
	1,750	8,310
	110,750	113,310

The costs of the audit of the half year group reporting package were borne by Access Bank Plc.

10. Taxation

The tax charge in the income statement for the year was £nil (2011: £nil). The tax charge can be reconciled to the profit per the income statement as follows:

	2012 £	2011 £
Profit before tax	**1,802,500**	1,269,980
Reconciliation of effective tax rate		
Corporation tax at 24.5% (2011: 26.5%)	**441,613**	336,458
Tax effect of		
Expenses not deductible for tax purposes	**3,513**	4,155
Capital allowances less than depreciation	**31,444**	64,441
Taxable losses utilised	**(476,570)**	(405,054)
	–	–

	2012 £	2011 £
Deferred tax asset		
Balance brought forward	**889,000**	889,000
Recognition during the period	**–**	–
Balance carried forward	**889,000**	889,000

A deferred tax asset of £889,000 was recognised in the year to 31 December 2010 in respect of a proportion of the tax losses carried forward at that date. The tax charge of £476,570 in respect of the taxable profit for the year to 31 December 2012 has been offset against the losses brought forward but not recognized by the deferred tax credit of £889,000.

The Directors have reviewed the level of the deferred tax asset carried forward and believe that this is fairly stated. The recovery of the recognised asset is dependent on the expected generation of future taxable profits. The unrecognised asset will become recognisable as the Bank generates further taxable profits in the future.

The current expectation of future taxable profits is based upon forecasts of current and future revenue growth and is based on a number of assumptions such as the volume of trade finance activity, growth in the volume of assets under management and the loan and deposit portfolios as well as management's assessment of likely interest rate movements. Were any of these assumptions to change, the size of the recognized deferred tax asset might be increased or decreased.

The estimated amount of the asset not yet recognised as at 31 December 2012 is £825,302 (2011: £1,623,794) based on current tax rates.

The main rate of corporation tax for the year beginning 1 April 2014 was reduced to 24% and this resulted in a weighted average rate of 24.5% for 2012 (2011: 26.5%). The main rate of corporation tax will be 23% from 1 April 2013. Further reductions to 21% from 1 April 2014 and 20% from 1 April 2015 have been announced and are expected to be enacted in the 2013 Finance Bill.

11. Property, plant and equipment

	Leasehold improvements £	Computer equipment £	Motor vehicles £	Office equipment, fixtures and fittings £	**Total £**
Cost					
Balance at 1 January 2011	279,000	202,955	36,201	132,515	650,671
Additions	40,341	20,711	16,192	45,870	123,114
Disposals	–	–	–	–	–
Balance at 31 December 2011	319,341	223,666	52,393	178,385	773,785
Balance at 1 January 2012	**319,341**	**223,666**	**52,393**	**178,385**	**773,785**
Additions	**–**	**11,472**	**–**	**10,949**	**22,421**
Disposals	**–**	**–**	**–**	**(13,008)**	**(13,008)**
Transfers	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2012	**319,341**	**235,138**	**52,393**	**176,326**	**783,198**

	Leasehold Improvements £	Computer equipment £	Motor vehicles £	Office equipment, fixtures and fittings £	**Total £**
Depreciation					
Balance at 1 January 2011	(74,282)	(140,841)	(17,346)	(42,602)	(275,071)
Charge for the year	(43,714)	(59,116)	(9,050)	(29,452)	(141,332)
Disposals	–	–	–	–	–
Balance at 31 December 2011	(117,996)	(199,957)	(26,396)	(72,054)	(416,403)
Balance at 1 January 2012	**(117,996)**	**(199,957)**	**(26,396)**	**(72,054)**	**(416,403)**
Charge for the year	**(29,611)**	**(15,133)**	**(13,099)**	**(34,214)**	**(92,057)**
Disposals	**–**	**–**	**–**	**8,575**	**8,575**
Transfers	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2012	**(147,607)**	**(215,090)**	**(39,495)**	**(97,693)**	**(499,885)**
Net book value					
At 31 December 2011	201,345	23,709	25,997	106,331	357,382
At 31 December 2012	**171,734**	**20,048**	**12,898**	**78,633**	**283,313**

Notes to the Financial Statements (continued)

12. Intangible assets

	2012 £	2011 £
Cost		
Balance at the beginning of the year	**969,818**	967,510
Additions	**81,082**	2,308
Balance at the end of the year	**1,050,900**	**969,818**
Amortisation		
Balance at the beginning of the year	**(513,337)**	(319,598)
Charge for the year	**(203,397)**	(193,739)
Balance at the end of the year	**(716,734)**	**(513,337)**
Net book value		
Balance at the end of the year	**334,166**	456,481

The intangible assets relate to software licences purchased.

13. Other assets

	2012 £	2011 £
Derivative financial instruments (see note 15)	**121,999**	40,004
Accrued income	**781,146**	707,150
Intercompany receivables	**748,785**	1,935,428
Other receivables	**475,887**	246,347
Prepayments	**613,238**	653,446
	2,741,055	3,582,375

14. Other liabilities

	2012 £	2011 £
Trade creditors	**60,253**	173,063
Derivative financial instruments (see note 15)	**139,740**	37,337
Intercompany payables	**139,897**	70,410
Other taxes and social security costs	**148,018**	128,265
Deferred Income	**322,504**	112,785
Other creditors	**874,475**	976,536
	1,684,887	1,498,396

Trade creditors principally comprise amounts outstanding for trade purchases and ongoing costs and are paid within the pre-agreed credit terms.

15. Derivative financial instruments

	2012 £	2011 £
Forward foreign currency contracts		
Receivables	**121,999**	40,004
Payables	**(139,740)**	(37,337)

Derivative financial instruments consist of short term forward contracts. Forwards are held for day to day cash management rather than for trading purposes and are held at fair value. These foreign exchange contracts have intended settlement dates within twelve months. This is the only category of derivative instruments held by the Bank as at 31 December 2012. All forward contracts are considered to be level two i.e. are priced with reference to observable market data.

16. Commitments and contingencies

a) Pension commitments

The Bank provides a defined pension contribution scheme for all staff. The assets of the scheme are held separately from those of the Bank in independently administered funds. During the year, pension costs of 354,535(2011: £312,036) were charged to the income statement. There was no pension creditor outstanding at the balance sheet date.

b) Trade finance – contingent liabilities

	2012 £	2011 £
Letters of credit (including cash-backed)	**178,342,837**	104,804,817
Risk participation	**18,564,163**	18,996,202
Guarantees	**923,361**	1,341,450
	197,830,361	125,142,469

Included in letters of credit and guarantees are cash collaterised transactions amounting to £163,517,371 (December 2011: £73,678,561).

c) Operating lease commitments

Non-cancellable operating lease payables:

	2012 £	2011 £
Less than 1 year	**666,778**	666,778
1 – 5 years	**239,726**	906,504
	906,504	1,573,282

The above table shows the total of future minimum lease payments under non-cancellable operation leases. Significant lease payables relate to the Bank's leased properties. During the period, £555,648 (2011: £543,102) was recognized as an expense in the income statement in respect of operating leases.

17. Financial instruments

a) Classifications and fair value

Derivatives

Derivative instruments are carried at fair value. For instruments where a listed market price is available, fair value is equal to market value. Where a listed market price is not available, a valuation technique using observable market inputs or unobservable inputs is used.

Loans and advances & other financial liabilities

Loans and advances & other financial liabilities are carried at amortised cost. Fair values of these instruments are calculated based upon the present value of estimated future cash flows discounted at the market value of interest at the balance sheet date. For all other instruments not carried at fair value, fair value is estimated to approximate book value.

Held to maturity

Debt instruments with the Bank's intention and ability to hold the investment to maturity. These instruments are carried at amortised cost using the effective interest method.

Notes to the Financial Statements (continued)

17. Financial instruments (continued)

Financial instruments classification

	2012 Loans & receivables £	2012 Fair value through P & L £	2012 Held to maturity £	2012 Available for sale £	2012 Total £
Assets					
Cash and cash equivalents	**18,809,557**	–	–	–	**18,809,557**
Loans and advances to banks	**360,220,377**	–	–	–	**360,220,377**
Loans and advances to customers	**46,754,465**	–	–	–	**46,754,465**
Derivatives	–	**121,999**	–	–	**121,999**
Debt securities	–	–	**22,159,310**	**4,924,346**	**27,083,656**
Other assets	**2,005,817**	–	–	–	**2,005,817**
Total assets	**427,790,216**	**121,999**	**22,159,310**	**4,924,346**	**454,995,871**

	2012 Other financial liabilities £	2012 Fair value through P & L £	2012 Total £
Liabilities			
Deposits from banks	**323,558,254**	–	**323,558,254**
Deposits from customers	**97,485,685**	–	**97,485,685**
Derivatives	–	**139,740**	**139,740**
Other liabilities	**524,838**	–	**524,838**
Subordinated liabilities	**9,233,610**	–	**9,233,610**
Total liabilities	**430,802,387**	**139,740**	**430,942,127**

	2011 Loans & receivables £	2011 Fair value through P & L £	2011 Held to maturity £	2011 Available for sale £	2011 Total £
Assets					
Cash and cash equivalents	19,641,450	–	–	–	19,641,450
Loans and advances to banks	272,850,609	–	–	–	272,850,609
Loans and advances to customers	29,385,087	–	–	–	29,385,087
Derivatives	–	40,004	–	–	40,004
Debt securities	–	–	35,295,237	–	35,295,237
Other assets	2,888,925	–	–	–	2,888,925
Total assets	324,766,071	40,004	35,295,237	–	360,101,312

	2011 Other financial liabilities £	2011 Fair value through P & L £	2011 Total £
Liabilities			
Deposits from banks	232,300,376	–	232,300,376
Deposits from customers	95,645,314	–	95,645,314
Derivatives	–	37,337	37,337
Other liabilities	779,143	–	779,143
Subordinated liabilities	9,663,081	–	9,663,081
Total liabilities	338,387,914	37,337	338,425,251

Financial instruments carried at fair value in the books of the Bank are available for sale securities and derivatives. Categories of these assets are shown below:

	2012 £	2011 £
Level 1	–	–
Level 2	**5,046,345**	40,004
Level 3	–	–
	5,046,435	40,004

b) Risk management

The Bank's risk management function is the responsibility of the Risk and Compliance Director. The Risk and Compliance Department is delegated responsibility for the day-to-day monitoring of the individual risks by the Chief Executive Officer/Managing Director. The purpose of each of the areas is to ensure that market, credit and operational risk in the Bank is kept within the guidelines set by the Board.

The Chief Executive Officer/Managing Director is responsible for providing an oversight function that will consider all the risks on a consolidated basis and, in this respect, chairs the main risk committees. The credit and market risk, and operational risk functions report to the Risk and Compliance Director.

In order to manage its risks, the Bank has adopted a Three Lines of Defence model:

- The First Line of Defence is the framework for policies and procedures put in place by the Board, covering all the Bank's operations. Policies are developed covering all operational areas, as well as credit risk, liquidity risk, concentration risk, trading book risk and provisioning.
- The Second Line of Defence consists of the Risk and Compliance Department which is in place to establish appropriate systems for the Bank in proportion to its scale, nature and complexity. Systems are in place to address credit risk, market risk, liquidity risk, and operational risk.
- The Third Line of Defence is the review of all the Bank's operations and risk management operations by the Risk and Audit Committee, the internal audit function, and, where appropriate, external audit.

c) Credit risk

The credit risk that the Bank faces arises mainly from trade finance, treasury activities and lending.

The credit risk function encompasses both strategic and operational areas of focus: strategic in the sense that it works closely with the Bank's executive in defining the risk appetite, researching target markets and clients, reviewing the credit risk dimension of products and having overall responsibility for portfolio credit quality, monitoring and control; and operational in the sense that credit risk works closely with the client and front office relationship and sales teams, supporting the analysis of credit risk for business written, handling the overall risk assessment for transactions and approving or otherwise the writing and marking of credit exposure.

Several control frameworks are in place; examples include:

- maximum exposure guidelines relating to the exposures to any individual customer or counterparty;
- country risk policy specifying risk appetite by country and avoiding excessive concentration of credit risk in individual countries; and
- policies that limit financing to certain industrial sectors.

Multiple methodologies are used to inform the decision on individual large credits, such as internal and external models, rating agency ratings, and for wholesale assets market information such as credit spreads. For smaller credits, a single source may suffice such as the result from a rating model. The Basel II approach will be used to implement the Standardized model whilst designing and implementing systems in readiness to implement IRB-Advanced at the earliest opportunity.

Notes to the Financial Statements (continued)

17. Financial instruments (continued)

An analysis of the credit quality of the maximum credit exposure, based on Fitch ratings, and Moody ratings where Fitch is not available:

	2012 £	2011 £
Cash and cash equivalents deposits in banks		
Rated AAA to AA-	**37,752,153**	37,813,222
Rated A+ to A-	**260,509,053**	190,568,811
Rated BBB+ to BBB-	**57,273,601**	95,495
Rated B+ to B-	**98,072**	–
Loans and advances to banks		
Rated AAA to AA-	**–**	3,221,027
Rated A+ to A-	**–**	–
Rated BBB+ to BBB-	**–**	53,120,987
Rated BB+ to BB-	**14,444,596**	6,334,191
Rated B+ to B-	**8,952,459**	1,278,653
Past Due but not impaired	**–**	59,673
Loans and advances to customers		
Neither past due nor impaired	**46,754,465**	29,383,454
Past Due but not impaired	**–**	1,633
Financial assets – derivative counterparties		
Rated AAA to AA-	**8,659**	2,667
Rated A+ to A-	**1,252**	37,337
Rated B+ to B-	**109,874**	–
Rated BBB+ to BBB-	**2,214**	–
Debt securities		
Rated AAA to AA-	**4,924,346**	12,154,550
Rated A+ to A-	**16,135,083**	16,799,032
Rated B+ to B-	**6,024,227**	6,341,655
Other assets		
Neither past due nor impaired	**2,005,817**	2,885,902
Past Due but not impaired	**–**	3,023
Carrying amount of assets	**454,995,871**	360,101,312

The Bank has considered the impact of a ratings migration. In the event that ratings migration occurred to a degree that the Bank was at risk of breaching its capital base, it would assess whether its lending to banks and other counterparties should be restricted further and potentially the investment of the funds would be switched into government bonds to remove the element of credit risk from the portfolio.

Credit exposures are included within the table entitled "Liquidity Analysis and Assets" set out under the paragraph titled "liquidity risk". The values used in the table are undiscounted. There is no material difference between discount and undiscounted in respect of credit exposures.

The table below shows the Bank's exposure to credit risk based on the markets and countries in which the Bank's customers conduct their business. The location for debt securities is measured based on the location of the issuer of the security.

	2012 £	2011 £
Concentration by sector		
Banks	**403,136,661**	312,885,744
Corporate	**40,036,410**	33,522,057
Government / Multilateral Development Banks	**4,924,346**	10,025,164
Retail	**6,898,454**	3,668,347
	454,995,871	360,101,312

	2012 £	2011 £
Concentration by location		
Africa	**51,391,000**	72,082,973
Europe	**336,118,325**	171,663,503
Other	**67,486,546**	116,354,836
	454,995,871	360,101,312

Included in loans and advances to banks and customers are cash collaterised transactions amounting to £47,583,239 (December 2011: £57,685,274)

d) Market risk

Market risk that the Bank faces is in changes in market prices, such as interest rates, foreign exchange rates and credit spreads have an effect on Bank's income and the value of debt securities.

Management is managing and controlling market risk exposures and ensures that it within acceptable parameters, while optimising the return on risk.

Foreign Exchange Risk

The Bank is exposed to foreign exchange risk to the extent of its open position in each non-sterling currency. The Bank has stipulated an internal limit for maximum open position and it is measuring and monitoring this open position on a daily basis. The Access Bank UK Limited does not intend to hold securities or undertake any trading activity, and the only source of foreign exchange risk to which it is exposed relates to its fulfilling of customer foreign exchange orders.

The Bank is dealing in various currencies and it is not always possible to match the asset and liability in each currency. However, whenever a fund available in one currency is used to finance funds in another currency, customer foreign exchange orders will be fulfilled on a matched basis for the early years of the Bank's operation and will therefore not generate foreign exchange risk.

Assets and liabilities in foreign currency

The Bank manages its exposure to foreign exchange rate fluctuations by matching assets with liabilities in the same currency as far as possible.

	2012 Sterling £	2012 US Dollars £	2012 Euro £	2012 Other currencies £	2012 Total £
Assets	**46,178,429**	**383,512,835**	**19,095,102**	**6,209,505**	**454,995,871**
Liabilities	**22,321,393**	**386,399,629**	**16,026,781**	**6,194,324**	**430,942,127**
Foreign exchange forward contracts	**142,742**	**2,886,968**	**(3,028,397)**	**(1,313)**	**–**
Net assets	**23,999,778**	**174**	**39,924**	**13,868**	**24,053,744**

	2011 Sterling £	2011 US Dollars £	2011 Euro £	2011 Other currencies £	2011 Total £
Assets	41,992,430	296,783,728	15,888,428	5,436,726	360,101,312
Liabilities	20,900,207	296,318,413	15,772,987	5,433,644	338,425,251
Foreign exchange forward contracts	631,774	(517,388)	(114,386)	–	–
Net assets / (liabilities)	21,723,997	(52,073)	1,055	3,082	21,676,061

A sensitivity analysis has been carried out on the foreign currency open position as at year end using a 10% increase / (decrease) in exchange rates and the foreign currency risk is considered to be immaterial.

Notes to the Financial Statements (continued)

17. Financial instruments (continued)

Interest rate risk

Interest rate risk represents the sensitivity of the Bank to changes in interest rates. The principal risk to which non-trading assets and liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps. The Bank's Asset and Liability Committee is the monitoring body for compliance with the Bank's policies and is assisted by Treasury in its day-to-day monitoring activities.

Overall non-trading interest rate risk positions are managed by the Treasury department, which uses advances to banks, deposits from banks, and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

A sensitivity analysis has been carried out on floating rate assets and liabilities as at year end using a 100 basis points increase / (decrease) in interest rates and the interest rate risk is considered to be immaterial.

e) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset. The Bank has documented a Liquidity Risk Policy and Liquidity Risk Appetite Statement, within the guidelines issued by the Financial Services Authority.The Directors are primarily responsible for overseeing the implementation of the Liquidity Risk Policy of the Bank and ensuring that the Bank has appropriate procedures to ensure that the Bank's Liquidity Risk Appetite is met. The Bank measures and monitors the liquidity position on a daily basis. The Bank considers its funding ability before committing to additional credit facilities and closely monitors upcoming payment obligations.

The Bank undertakes stress tests on its liquidity position which are incorporated into the Bank's Individual Liquidity Adequacy Assessment ("ILAA"). The Bank has also put in place contingency plans to meet its liquidity obligations under stressed scenarios. In addition to any Eligible Liquidity Buffer required by the Bank's ILAA, the Bank holds cash and near liquid assets (including marketable assets) equivalent to at least 10% of its deposit liabilities to meet its liquidity obligations. The liquidity positions are reported to the Board and the policy is reviewed periodically to meet the changing needs.

This table shows the liquidity analysis of financial assets and liabilities analysed between those which will be contractually settled within more or less than twelve months of the balance sheet date. The figures are shown on an undiscounted basis, there is no significant difference between the contractual amounts of financial liabilities and their carrying amount.

	2012 Less than 3 months £	2012 Between 3 & 12 months £	2012 More than 12 months £	2012 Carrying amount £
Assets				
Cash and cash equivalents	350,703,595	4,929,284	–	355,632,879
Loans and advances to banks	8,585,786	14,491,609	319,660	23,397,055
Loans and advances to customers	15,453,485	22,895,509	8,405,471	46,754,465
Derivatives	121,999	–	–	121,999
Debt securities	10,906,891	10,152,539	6,024,226	27,083,656
Other assets	1,839,349	–	166,468	2,005,817
Total assets	**387,611,105**	**52,468,941**	**14,915,825**	**454,995,871**
Liabilities				
Customers deposits	96,756,961	728,724	–	97,485,685
Deposits to other banks	308,162,362	15,395,892	–	323,558,254
Derivatives	139,740	–	–	139,740
Other liabilities	524,838	–	–	524,838
Subordinated liabilities	–	–	9,233,610	9,233,610
Total liabilities	**405,583,901**	**16,124,616**	**9,233,610**	**430,942,127**

	2011 Less than 3 months £	2011 Between 3 & 12 months £	2011 More than 12 months £	2011 Carrying amount £
Assets				
Cash and cash equivalents	228,155,425	322,103	–	228,477,528
Loans and advances to banks	57,932,734	5,766,225	315,572	64,014,531
Loans and advances to customers	25,603,041	131,542	3,650,504	29,385,087
Derivatives	40,004	–	–	40,004
Debt securities	19,644,154	9,309,428	6,341,655	35,295,237
Other assets	2,325,465	370,990	192,470	2,888,925
Total assets	333,700,823	15,900,288	10,500,201	360,101,312
Liabilities				
Customers deposits	81,918,549	13,726,765	–	95,645,314
Deposits to other banks	229,610,174	2,690,202	–	232,300,376
Derivatives	37,337	–	–	37,337
Other liabilities	753,876	25,267	–	779,143
Subordinated liabilities	–	–	9,663,081	9,663,081
Total liabilities	312,319,936	16,442,234	9,663,081	338,425,251

f) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes or systems, or from external events. Major sources of operational risk include: business continuity, documentation, regulatory, financial crime, staff competence, key person, strategic and governance risk.

Operational risk is taken as a necessary consequence of the Bank undertaking its core businesses and it is the Bank's policy to minimise its risks to the extent possible through an entity wide control framework, setting quantitative limits and through the use of internal audit, risk management and compliance. The Bank aims to minimise operational risk at all times through a strong and well resourced control and operational infrastructure.

The Board Risk and Audit Committee seek to ensure strong corporate governance at all times.

g) Capital management

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 31 December 2012 was £25,152,954. Regulatory capital is determined in accordance with the requirements of the FSA in the UK. Total Regulatory Capital as at 31 December 2012 was £34,079,385 and includes the long term subordinated loan granted by the Bank's parent.

Capital adequacy and the use of regulatory capital are monitored regularly by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the FSA in the UK, for supervisory purposes. The FSA requires each bank to maintain a ratio of total regulatory capital to risk-weighted at or above a level determined for each institution.

The Bank's regulatory capital is divided into two tiers:

- Tier 1 capital, which is the total of the issued share capital and retained earnings less intangible assets;
- Tier 2 capital, which is long tern subordinated loan.

Notes to the Financial Statements (continued)

17. Financial instruments (continued)

The Bank has calculated its regulatory capital as at 31 December 2012 in accordance with these definitions as laid out in the table below:

	2012 £	2011 £
Capital resources		
Tier one capital		
Shareholders' funds	**25,153,153**	23,350,454
Less:		
Intangible assets	**(334,166)**	(456,481)
Total tier 1 capital	**24,818,987**	22,893,973
Tier two capital		
Subordinated liabilities	**9,233,610**	9,663,081
Total regulatory capital	**34,052,597**	32,557,054

The Bank will publish its set of disclosures in accordance with Pillar 3 of the Basel II Capital measurement requirements on its website: www.theaccessbankukltd.co.uk

18. Subordinated liabilities

	2012 £	2011 £
Subordinated liabilities	**9,233,610**	9,663,081
	9,233,610	9,663,081

Subordinated liabilities represent a long term subordinated loan of $15 million granted by the parent company Access Bank Plc on 17 February 2011. The loan is repayable on 16 February 2021. The interest payable on the loan is based on six month LIBOR.

19. Share capital

	2012 £	2011 £
Issued		
32,000,000 ordinary shares of £1 each	**32,000,000**	32,000,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**32,000,000**	32,000,000

At 31 December 2012 the issued share capital comprised 32,000,000 ordinary shares (2011: 32,000,000) with a par value of £1. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Bank. All shares rank equally with regards to the Bank's residual assets.

20. Related party transactions

Key management personnel are considered to be the Directors. Disclosures regarding Directors' emoluments and other transactions are given in note 7.

A number of banking transactions were entered into with related parties within the Access Bank Plc group in the normal course of business. These include loans and deposits and foreign currency transactions. Outstanding balances at the end of the year and related party income for the year are as follows:

	2012 £	2011 £
Assets		
Amounts due from parent bank	**2,345,942**	52,401,791
Amounts from fellow subsidiaries	**7,464,634**	3,519,788
	9,810,576	55,921,579
Liabilities		
Amounts due to parent bank	**235,990,883**	152,586,584
Amounts due to fellow subsidiaries	**10,860,639**	24,187,851
	246,851,522	176,774,435
Fees and commission income		
Parent bank	**2,064,024**	2,267,797
Fellow subsidiaries	**700,809**	219,229
	2,764,833	2,487,026
Interest income		
Parent bank	**398,690**	515,436
Fellow subsidiaries	**129,533**	78,508
	528,223	593,944
Interest expense		
Parent bank	**1,012,778**	217,960
Fellow subsidiaries	**17,679**	17,610
	1,030,457	235,570

21. Subsidiary undertaking

The Bank has established a wholly owned subsidiary, The Access Bank UK Nominees Ltd, to facilitate the Bank's private banking and asset management business. The subsidiary is not an operating company and has been incorporated in England and Wales with a share capital of £1.

22. Ultimate parent company and controlling party

The Bank's immediate and ultimate parent and controlling party is Access Bank Plc, a bank incorporated in Nigeria. Group accounts into which the Bank is consolidated are available from the Head Office, at Plot 1665, Oyin Jolayemi Street, Victoria Island, Lagos, Nigeria.

Five-year Record

Statement of financial position

	31 December 2008*	31 December 2009	31 December 2010	31 December 2011	**31 December 2012**
Assets					
Placements & cash at bank	34,433,282	94,154,487	190,851,184	228,477,528	355,632,879
Loans and advances to banks	5,930,169	2,510,388	26,222,781	64,014,531	23,397,055
Loans and advances to customers	–	1,853,661	6,872,330	29,385,087	46,754,465
Investment securities	–	7,079,349	23,608,301	35,295,237	27,083,656
Other assets	6,105,912	9,789,097	5,796,767	5,285,238	4,247,534
Total assets	**46,469,363**	**115,386,982**	**253,351,363**	**362,457,621**	**457,115,589**
Liabilities					
Deposits from banks	14,515,437	64,447,789	187,061,081	232,300,376	323,558,254
Deposits from customers	804,472	20,899,490	42,995,205	95,645,314	97,485,685
Other liabilities	7,129,700	8,000,737	1,214,603	1,498,396	1,684,887
Total liabilities	**22,449,609**	**93,348,016**	**231,270,889**	**329,444,086**	**422,728,826**
Shareholders' funds inc. subordinated liabilities	24,019,754	22,038,966	22,080,474	33,013,535	34,386,763
Total liabilities and equity	**46,469,363**	**115,386,982**	**253,351,363**	**362,457,621**	**457,115,589**

* 2008 figures cover a 15 month period from 10 September 2007 to 31 December 2008

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