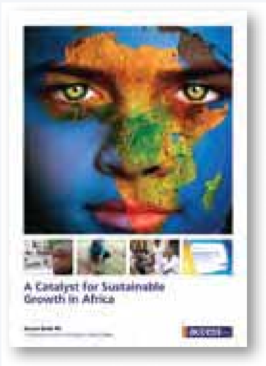
A Catalyst for Growth in Africa

Access Bank Plc

ANNUAL REPORT AND ACCOUNTS 2010

Access Bank Plc is the Bank of best practice with consistent growth in all key performance indicators over the past 8 years. We are currently one of the largest banks in Nigeria. As an emerging leader in Africa, Access Bank seeks not only to rank amongst the top 3 Nigerian Banking Groups but also to become a **major catalyst for growth** across the African continent.

Access Bank's Corporate Social Responsibility (CSR) Report is prepared in order to provide information on the economic, environmental and social performance that contributed to our sustainability in 2010. A summary of which can be found on page 26 of this report.



2010 at a glance

- The Group recorded profit before tax of **N16.1 billion** in the financial year ended December 31, 2010, representing a **564% increase** over the previous year.
- The **strong return to profitability** was led by Nigerian operations.
- 2010 saw gross earnings from commercial banking **more than double**.
- The Group Treasury business **contributed strongly** to bottom line profits.

2010 Performance highlights

Gross earnings
N91.1bn
+7% (2009: N84.98bn)

Profit before tax
N16.1bn
+564% (2009: N3.48bn)

Shareholders' funds
N175.3bn
+4% (2009: N168.3bn)

Profit after tax
N11.1bn
+351% (2009: N4.40bn)

Customer deposits
N487bn
+16% (2009: N439bn)

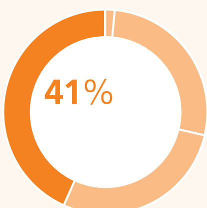
Loans and advances
N432.8bn
+16% (2009: N388.0bn)

Total assets
N804.8bn
+16% (2009: N693.8bn)

Treasury bills
N35.9bn
+109% (2009: N17.2bn)

Access Bank Plc's business model is structured along five major strategic business segments, namely institutional banking, commercial banking, financial markets, retail banking and transaction services.

Institutional Banking



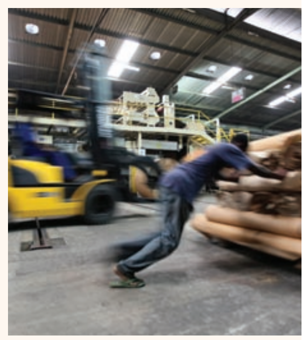
Contribution to Total Assets

The Institutional Banking division offers a full range of services to multinationals, large domestic corporates and other institutional clients.

- We strive to provide premium relationship management to top tier corporate clients, while serving as an anchor to the value chain model of the Bank.
- We also deliver corporate and structured financial services to leading banks, insurance companies, stock broking firms as well as investment and asset management firms.
- Our focus is to add value by building long-term relationships with our clients via a deep understanding of their businesses and the environment in which they operate.

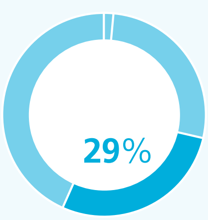
Industry sectors covered

- Cement & Flour
- Financial Institutions
- Food & Beverages
- Oil & Gas
- Telecoms
- Transportation & Utilities



Results for this division
Page 13

Commercial Banking



Contribution to Total Assets

The Commercial Banking division focuses on serving all non-institutional clients within the value chain of the Bank's large corporate customers.

- This is achieved through the distribution of both commercial and retail offerings as well as other structured local and foreign organisations with turnover in excess of N500 million.
- The division has chosen the value chain model as its preferred approach to running the commercial banking business at this time.
- Significant successes have been recorded with the application of this strategy, showing the huge potential for growth in our business with more rigorous implementation.

Target markets

- Individuals
- Trading
- Manufacturing
- Hospitality
- Schools/Educational Institutions
- HNI/UHNI
- Real Estate
- Bureau de Change
- Security & Armory
- Asset Management
- Information Technology
- Transportation
- Partnerships/Professional

Results for this division
Page 15

% Growth	Contribution to Total Profit
+12%	Institutional Banking: (N4.15bn)
+662%	Commercial Banking: N10.3bn
+202%	Investment Banking: N8.02bn
+1116%	Retail Banking: N1.98bn

2009

Total (Loss)

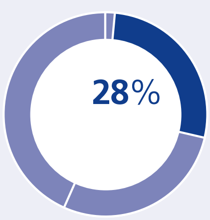
(N3.48bn)

2010

Total Profit

N16.17bn

Financial Markets



Contribution to Total Assets

The objective of the Financial Markets division is to provide innovative finance solutions to meet the short, medium and long-term financing needs of our clients.

- Our treasury group is at the forefront of fixed income and foreign exchange trading in Nigeria, while our global financial markets group continues to build core competence in structured finance and advisory transactions.
- During the period under review, we were consistently voted the most professional foreign exchange trading bank in Nigeria, and our treasury team, the most professional money market dealers in a monthly poll conducted by the Money Market Association of Nigeria.

Products offered

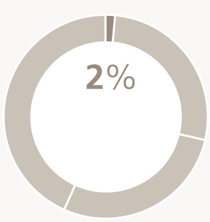
Treasury & Asset Management

Financial Advisory Services

Permanent/Long & Medium Term Finance

Results for this division
Page 17

Retail Banking



Contribution to Total Assets

The Products & Retail Banking division currently serves over 500,000 customer accounts providing financial products and services to individuals and small businesses in the value-chain of the Bank's corporate clients.

- Our products and services range from standard to specialised savings, current and investment accounts.
- Others include credit products, including personal loans, advances, mortgages, asset finance, small business loans and credit cards.
- Our e-business products include internet banking, mobile banking, merchant services and customised corporate solutions.

Products offered

Personal accounts:
savings, current, investment

Credit products:
loans, advances, mortgages, asset finance, small business loans, credit cards

e-business:
internet banking, mobile banking, merchant services, customised corporate solutions

Results for this division
Page 19

We are currently one of the largest banks in Nigeria and serve over two million customers from 148 branches. These are located in all major commercial centres and cities across Nigeria, eight other African countries and the United Kingdom.

Nigeria

Contribution to Group
2010
109.3%

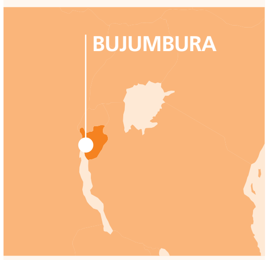
Number of branches
110

Employees
1,317

Customer accounts
549,503

Services offered
- Standard Savings Account
- Standard Current Account
- Solo Account
- Access Advantage
- Access Premier
- Mpower Biz (Platinum & Gold)
- Mpower Salary
- Campus Access
- Visa International Credit Card
- Visa International Debit Card
- Access Online
- Access Direct
- ATM
- Access Pay
- POS
- Auto Online
- Vehicle Fleet Finance
- Access Transfast
- Dollar Derivative Facility (LCCI and Dollar Usance)
- Bills for Collection
- Distributors Credit Program
- Telecoms Invoice Discounting Scheme
- Corporate Current Account
- GEM
- Share Purchase Facility
- Cash Backed Stock Acquisition
- Asset Backed Stock Acquisition
- Call Deposits
- Time/Term Deposits
- Treasury Bills
- Banker's Acceptances
- Bonds
- Foreign Exchange
- Internally Generated Revenue Collection
- FIRS Collections
- Nigerian Immigration Service-E-revenue Collections
- Non-oil Export Collections
- PHCN Collections
- Customs Collections

Burundi



Contribution to Group
2010
0.6%

Number of branches
6

Employees
114

Customer accounts
4,465

Services offered
- Current Account (Bif, USA, Euro: Lodgment & Withdrawal
- Term Deposit Account: Fortune Plus
- Savings Account: Kazoza Saving
- Credit Facilities: Overdraft, Term Loan, Time Loan, Importation Lines, Documentary Credit
- Leasing
- Visa Cards
- Diaspora
- Transfer Facilities: Foreign Transfers
- Bank Guarantees: Letter Of Credit, Term Loan, Bid Bond, Custom Bond, Performance Bond, Advance Payment Guarantee, Time Loan, Bills Discounting

Côte D'ivoire

Contribution to Group
2010
-11.1%

Number of branches
5

Employees
121

Customer accounts
8,000

Services offered
- Access PEL
- Access Project
- Call Deposit
- Current Account
- Savings Account
- Call Deposit
- Fixed Deposit

Democratic Republic Of The Congo

Contribution to Group
2010
-3.3%

Number of branches
2

Employees
70

Customer accounts
1,010

Services offered
- Access Alerts
- Savings Account
- Current Account
- Bullion/Cash Services
- ATM
- VISA Card

Ghana

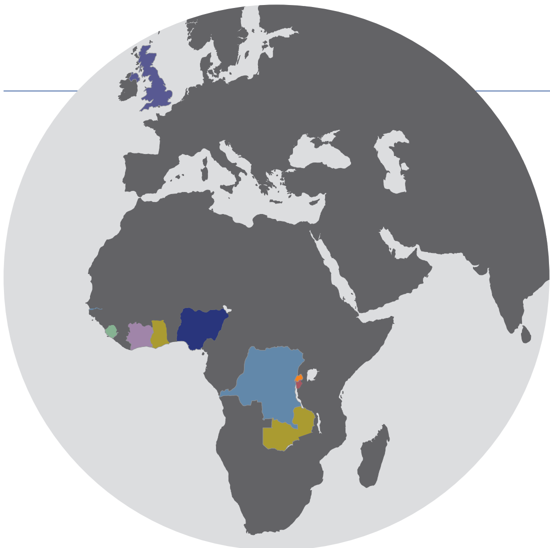
Contribution to Group
2010
8.04%

Number of branches
3

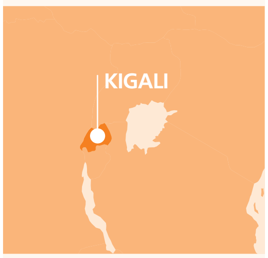
Employees
108

Customer accounts
3,000

Services offered
- Savings & Current Account
- Access Advantage
- Access Premier
- Mpower Biz
- Mpower Salary
- Solo Account
- Access Online
- Visa Card and ATM Services
- Treasury & Investment Services
- Trade Finance
- Cash Management
- Lending Services



Rwanda



Contribution to Group
2010
1.7%

Number of branches
7

Employees
135

Customer accounts
6,890

Services offered
- Current Account Individual
- Current Account Corporate
- Standard Savings Account
- Solo Kiddies Account
- E-Banking (SMS, Internet & Email)
- Foreign Operations & Funds Transfer
- Central Clearing
- Credit Risk Management/ Remedial Asset
- Currency Trading/Treasury
- Paying Tellers (Local & Foreign Currency

Sierra Leone

Contribution to Group
2010
-0.4%

Number of branches
4

Employees
28

Customer accounts
8,593

Services offered
- Savings Account
- Current Account
- ATM
- Visa
- Solo A/C
- Mpower Salary Account
- Access Advantage
- E-statement
- Access Alert
- Investment Banking
- Commercial Banking
- Institutional Banking
- Internet Banking

The Gambia

Contribution to Group
2010
-0.7%

Number of branches
5

Employees
150

Customer accounts
16,640

Services offered
- Current Account
- Access Advantage Account
- Mpower Biz Account
- Call Account
- Access Premier
- Money Market Account
- Savings Account
- Kiddies Save Account
- Savings Account – N/I (Islamic)
- Term Deposits
- Access Premier Plus
- Collections Account
- Domicilliary Accounts
- Collection Domicilliary Account
- Matured Term Deposits

Zambia

Contribution to Group
2010
0.03%

Number of branches
3

Employees
152

Customer accounts
5,505

Services offered
- Personal, Business, Online and Private Banking
- Small Business Account
- Institutional, Commercial and Internet Banking
- Payments & Collections
- Treasury
- SMS/Email Alert
- Accesspay
- Visa Debit Card
- Credit Card
- Mpower Biz
- Access Advantage and Premier
- Solo
- Standard Savings Account
- Standard Current Account
- Call Account
- Fixed Deposit
- Domicilliary Account

United Kingdom

Contribution to Group
2010
-1.22%

Number of branches
3

Employees
60

Customer accounts
1,079

Services offered
- Trade Finance Service
- Commercial Banking
- Property Loans
- Private Bank
- Internet Banking
- Current Account
- Notice Deposit Account
- Business Account
- ATM
- Savings Account

Mr Gbenga Oyebode, MFR

Distinguished shareholders, it is with great pleasure that I welcome you to the 22nd Annual General Meeting of our Bank. I will be presenting to you a brief review of the major developments that have taken place in our local markets and in the wider global economy in which our Bank operates, as well as providing you with a summary of the Bank's performance for the financial year ended 31st December 2010.

In 2010, the bright signs of economic recovery that began to appear at the tail end of 2009 were overshadowed by the possibility of yet another financial crisis triggered by sovereign debt concerns in Greece, Spain, Ireland and Portugal. Emerging markets and developing economies however continue to outperform the global economic growth index. In Nigeria, real GDP grew at 7.78%, outperforming the prior year's growth rate of 6.69% and indications are that this growth momentum will be maintained in 2011 due to high crude oil production levels and rising crude oil prices. However, inflation remained well above the Central Bank's implied target range of 9.0% – 9.5%.

The Nigerian financial system is on the path to recovery, largely due to the various initiatives introduced by the Central Bank of Nigeria (CBN) in response to the Nigerian banking sector crisis.

Financial Performance

This is our Bank's first full year Profit and Loss Accounts since the adoption of 31st December as our year end. The period witnessed an appreciable level of macroeconomic stability due to the various policies instituted by the CBN, enabling our Bank to record a profit before tax of N16.1 billion for the Group, a remarkable improvement on our 2009 performance.

Dividend

The Board of Directors is recommending a final dividend of 30 kobo per ordinary share, subject to appropriate withholding tax. This is in addition to the interim dividend of 20 kobo per ordinary share paid at half year 2010. This brings the total dividend per ordinary share for the 2010 financial year to 50 kobo.

Subsidiaries

Following the Central Bank's repeal of the Universal Banking Guidelines, Access Bank Plc has received the CBN's approval, in principle, for its Compliance Plan to bring its operations into conformity with the provisions of Central Bank of Nigeria's Regulations on the Scope of Banking Activities and Ancillary Matters.

Our Bank will divest fully from its two non-banking subsidiaries namely, United Securities Ltd and Access Securities and Investment Ltd, and integrate the operations of its mortgage banking subsidiary, Access Homes and Mortgages Limited into its Retail Banking division. The decision to exit our non-banking subsidiaries was taken following a rigorous evaluation of the impact of the divestment on our long term performance objectives.

By opting to divest from our non-banking subsidiaries, we have chosen to focus on our core commercial banking operations, which account for over 98% of our earnings. In arriving at this decision, consideration was given to the growing global and local concerns regarding the regulation of universal banks and we found it prudent to be insulated from the regulatory challenges which universal banks will face in future.

In view of the measures of best practice that Access Bank has undertaken in the past, the Bank is confident that its transition to operating under an international banking licence will be smooth and seamless. Our subsidiaries in Ghana, Rwanda, Zambia, and the United Kingdom continue to perform creditably whilst the macroeconomic conditions in other countries hosting our operations, most particularly Cote D'Ivoire, have not been beneficial to our business model. Going forward, the Board of Directors and Management have established minimum performance targets for all our banking subsidiaries to ensure the future performance of each subsidiary is profit additive.

Board of Directors and Human Capital Development

During the year, Dr Dewunmi Desalu resigned from the Board of Directors. We are most appreciative of his contributions to the Bank during his period of service and wish him continued success in his endeavours. Our employees are the heart of our business, and we continue to improve on our ability to recruit the brightest people in the industry and develop them through exposure to international best practices. This helps to ensure that the Bank is able to sustain its ability to create value for all its stakeholders.

"Our Bank's continuous commitment to sustainable fundamentals and strong financial performance has led to a return to profit"

Corporate Governance and Risk Management
Access Bank continues to ensure strong adherence to best practices in corporate governance premised on the independence and separation of the Board's supervisory responsibilities from the management framework. Our governance standards are not limited to the requirements of local statutes and regulations. Your Board of Directors has taken the initiative to adopt, in certain areas, governance standards that are higher than required by local code and regulatory requirements.

Access Bank in 2010 became the first bank in Nigeria to fully adopt International Financial Reporting Standards (IFRS) and has pioneered the way for many of the other banks who are just beginning their implementation process in 2011. The road map developed by the CBN requires banks to have implemented IFRS by the year 2012. The Bank has also invested in people, structures and processes to take us to a functioning implementation of Basel II. During the financial year, we employed a highly respected Chief Risk Officer bringing with him a wealth of experience while also ensuring that all the key positions in enterprise risk framework are filled. We have established a system that ensures an integrated view of risk and correlation/diversification benefits.

Growth Opportunities
One of our Bank's strategic objectives is to rank amongst the top three banking groups in Nigeria. The pursuit of this aspiration would require the Bank's expansion of its footprint either through the pursuit of organic or inorganic growth strategies. An opportunity currently exists in the context of the Central Bank of Nigeria's Banking Crisis Resolution Program for the Bank to pursue a business combination with another bank towards achieving our growth aspirations. The Board of Directors is working closely with Management to undertake such actions as may be necessary to successfully implement this initiative. In line with international best practices, the proposed business combination will be conducted transparently and subject to necessary shareholders, regulatory and judicial approvals.

Special Resolution
One of the tools the Bank uses in retaining and motivating its high performing employees are performance incentives. The Resolution, which you will find in the Notice of Meeting, would enable the Bank to establish an Employee Performance Share Plan, under which units of the Bank's shares will be awarded to eligible employees on terms to be approved by the Board of Directors. The approval and implementation of the proposed plan would increase the Bank's capacity to recruit and retain high performing employees.

The Board believes that the Resolution contained in the Notice of Meeting is in the best interests of shareholders and the Bank unanimously recommends that you vote in favour of the Resolutions.

Conclusion
Our sincere appreciation goes to our shareholders, customers, employees and other stakeholders for their continued support of the Bank, which has enabled us to record another year of very strong performance. With your continued support, we look forward with great excitement to successful years ahead as we work hard to enhance returns for shareholders while continuing in our pursuit of the Quest for Excellence in our customer services and operations.

MR GBENGA OYEBODE, MFR
CHAIRMAN, BOARD OF DIRECTORS

Chief Executive's Review

I am pleased to report that our year 2010 financial performance places Access Bank Plc amongst the leaders in the Nigerian Banking Industry and more importantly our continued emphasis on business sustainability will ensure that our renewed growth trajectory is maintained.

Global Environment
We must give due credit to the effectiveness of the various macro prudential initiatives instituted by the Central Bank of Nigeria (CBN) to stimulate economic growth as well as to ensure recovery of the Nigerian banking sector. Furthermore, the CBN's extensive reforms focused on elevating the practice of Risk Management, Financial Management as well as Corporate Governance by Nigerian banks, have effectively leveled the playing field enabling those financial institutions, whose business models are centered around sound banking principles, to grow their business profitability.

Year 2010
During the period under review, our Bank provided exemplary leadership to others by being the first Nigerian bank to fully convert its accounting systems and policies to comply with International Financial Reporting Standards IFRS. We also recruited a highly regarded Chief Risk Officer to oversee the extensive investments the Bank has made in the area of risk management, particularly the functional implementation of our Basel II compliant risk framework.

In several other facets of our operations we have recorded significant progress in our quest to attain world-class standards. These developments have not gone unnoticed by a wide range of stakeholders, with attendant goodwill and brand benefits.

We continue to expand our market share of customer segments whose risk profile is consistent with our moderate risk appetite; competition amongst banks for such business is quite keen, however the quality of our human capital, effectiveness of our banking solutions and confidence engendered by the Access Brand have combined to give us a winning edge over our peers.

Our customers have strongly embraced our 'go to market' strategy resulting in robust growth of over 15% in both loans and deposits. In Nigeria, our increased market share and significant reduction in risk expenses resulted in a phenomenal uplift in profit before tax to N17.6 billion. Whilst our subsidiaries in Ghana, Rwanda, United Kingdom and Zambia performed well, Cote D'Ivoire and Congo performed poorly, indeed in view of the Cote D'Ivoire's deteriorating macroeconomic conditions we increased our provisions for risk asset impairments leading to lower Group profits of N16.1 billion. The Board of Directors has proposed a 30 kobo dividend per share in addition to the 20 kobo interim dividend, thus ensuring a strong dividend yield to our shareholders in excess of 5%.

Beyond 2010
There are several lessons to learn from the recent global economic crisis which has also brought to the fore a number of critical issues which are shaping and redefining Nigeria's financial sector landscape. Our Board and Management have spent a considerable amount of time reflecting deeply on these issues and their implications for your Bank going into the future.

Most analysts are unanimous in the view that post crisis, Access Bank is in a significantly enhanced position amongst Nigeria's 24 banks when compared to its position before the financial crisis. However, analysts are also quick to highlight the increasing importance of 'scale' as a key determinant of which Banks will rank amongst the industry leaders in the years to come.

In 2007, I shared with you our corporate aspirations for the 5-year period ended 2012. Amongst our corporate objectives is the goal to rank among Nigerian's top 3 financial service institutions.

"The quality of our human capital, effectiveness of our banking solutions and confidence engendered by the Access Brand have combined to give us a winning edge over our peers"

Our analysis convinces us that a significant increase in the scale of resources available to the Bank is required for the fulfillment of our strategic objectives.

We will utilise the opportunities arising out of CBN's Banking Crisis Resolution Programme to pursue growth inorganically whilst remaining focused on our existing organic growth game plan.

We are confident that the strong competencies we have built in-house in the areas of mergers and acquisitions, together with the engagement of world-class advisers with whom we have in the past shared several successful business combinations, will enable us to overcome the challenges to come.

In my usual tradition, I extend on behalf of all my colleagues our appreciation to our customers, shareholders, regulators and other stakeholders who continue to support our Quest for Excellence. I would especially like to thank all our employees who continue to demonstrate the quest for high performance and the hunger to excel.

Most especially I give thanks to the Almighty for all He has made possible.

God bless.

MR AIGBOJE AIG-IMOUKHUEDE
GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

At the heart of everything we do, we will make our vision a reality and our mission a successful one. Together they form the bedrock of our business:

Vision
To transform our Bank into a world-class financial services provider.

Mission
To go beyond the ordinary, to deliver the perceived impossible, in the Quest for Excellence.

Our Core Values:

Excellence
We strive to attain and exceed the highest possible standards through our passionate and painstaking attention to detail.

Ethics
Our operations are transparent and always comply with regulations, while decisions are based purely on business interest.

Trust
We have total confidence in one another. We will work tirelessly to earn the faith, loyalty and confidence of our customers. To this end, we will always deliver on contracts, agreements, undertakings and assurances.

Teamwork
We hold the interest of the team above those of the individual, while showing mutual respect for all employees and sharing information throughout our organisation.

Passion for customers
Customers always come first. We develop a deep understanding of our customers, approaching them with a positive "can do" attitude and responding creatively to their needs.

Continuous learning
We are dedicated to continuous growth and career development. This principle is applied at all levels and across all functions.

Report of the External Consultant on the Board Assessment

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Tel. +234 1 2707100· Fax: +2341 2707111
www.accenture.com

Friday, 18th March 2011

The Chairman
Access Bank Plc
Plot 1665, Oyin Jolayemi Street
Victoria Island, Lagos

Dear Sir,

REPORT OF THE EXTERNAL CONSULTANT ON THE BOARD ASSESSMENT OF ACCESS BANK PLC

In compliance with the Central Bank of Nigeria (CBN) guidelines on the 'Code of Corporate Governance for Banks in Nigeria, Post Consolidation' (the CBN CODE) we have conducted the Annual Board Performance Assessment for Access Bank for the year ended December 2010.

Our assessment focused on Access Bank's compliance with the basic principles that promote sound corporate ethics, accountability and transparency and standards set by the CBN code.

The composition of the Board of Directors is in compliance with the requirements of the CBN Code. There is clear separation of roles between the position of the Chairman of the Board and the Managing Director/Chief Executive Officer. Board Committees are properly constituted and there is a documented term of reference of each subcommittee. The Chairman of the Board is not a member of any Board Committee.

Board members are knowledgeable in business and financial matters and understand their fiduciary responsibilities as directors and roles in providing financial oversight and enhancing shareholder value. The Board oversees and is involved in monitoring financial and strategic performance of the Bank. There are appropriate audit structures, credit processes, Risk Management Framework and Succession Planning Policy in compliance with CBN code.

Following our assessment, specific recommendations in respect of areas for further improvement of the Board's current good performance have been presented to the Board.

Yours sincerely,
ACCENTURE

Adenmosun Oluwaleke

Toluleke Adenmosun
Senior Executive, Financial Services

accenture

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Friday, 18th March 2011

The Chairman
Access Bank Plc
Plot 1665, Oyin Jolayemi Street
Victoria Island, Lagos

Dear Sir,

SUMMARY REPORT ON CORPORATE GOVERNANCE

We have reviewed the corporate governance arrangements at Access Bank Plc with regards to the Central Bank Code on Corporate Governance for Banks, Post Consolidation and find the Bank materially compliant with the requirements of the Code.

BASIS OF REVIEW

The Bank's Memorandum and Articles of Association, Board Terms of Reference, Board papers, minutes of Board meetings, Risk Management Framework and Succession Planning Policy were reviewed for compliance and we also conducted interviews with principal officers of the Bank.

We examined the Bank's audit structures and credit processes as well as assessed directors' understanding of their fiduciary duties and roles in providing financial oversight and enhancing shareholder value.

The review was conducted in February 2011.

SUMMARY OF FINDINGS

Based on our review of available documentation and after discussions carried out with the principal officers listed above, Access Bank has been found to be compliant with the requirements of the CBN Code on Corporate Governance.

The conclusion from our analysis is that the non-executive as well as executive directors of the Bank fully understand their fiduciary duties and roles in providing financial oversight and enhancing shareholder value.

Please find the full details of our findings and recommendations in respect of areas that require attention attached.

Yours sincerely,
ACCENTURE

Adenmosun Oluwaleke

Toluleke Adenmosun
Senior Executive, Financial Services

PROJECTS

1 Industrial Cartons Limited. In line with its objectives to aid the manufacturing industry in the country, Access Bank granted Finance Lease Facility to the tune of N1.44bn which was used to finance the acquisition of a corrugated carton production line. The automated production line which has been installed, has a production capacity of 2,200 tonnes monthly. Address: Acme Crescent, Off Acme Road, Agidingbi, Ikeja.

2 Nestle Nigeria Plc. Access Bank Plc secured a term loan of N2Bn to finance one of the key investment plans of Nestle Nigeria in Milling and Malting plant. The plants were constructed at the company's premises in Agbara and would aid the increase in milling and malting capacity of the company and its output in meeting the needs of its consumers. Address: Km 32, Lagos Badagry Expressway, Agbara Industrial Estate, Agbara, Ogun State.

3 Dangote Cement Plc. Address: (Obajana Plant); Kabba-Lokoja Road, Obajana, Kogi State. Lagos Office: 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos.

At a glance

N17.8bn

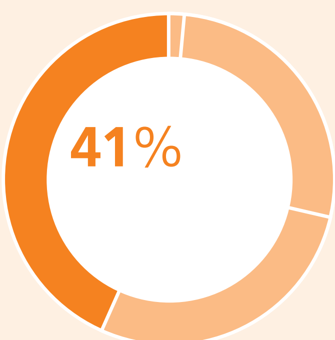
Gross Earnings 2010: N17,753,000,000 -59%

N329.7bn

Total Assets 2010: N329,713,000,000 -8%

N4.15bn

Profit before tax 2010: N4,149,000,000 -12%



INSTITUTIONAL BANKING
Contribution to total profit
2009: -127%

2010 Performance highlights

The Institutional Banking division serves as the anchor of the value chain strategy/ model of Access Bank. The division provides a full bouquet of products and financial services through the various e-channels and branch network of the Bank.

The division is structured along the key sectors in the economy the Bank has chosen to play in and has built competence in over the years. The customers we serve are drawn from key sectors in the economy such as; Oil & Gas, Telecommunications, Financial Services, Food & Beverage, Cement, Transportation and Household Utilities. Good understanding of our chosen sectors and proven successes over the years have resulted in building deep and long lasting relationships with customers in our target market and enhanced our ability to provide bespoke products & services as value adding solutions to their banking needs.

Institutional Banking division has experienced and highly qualified professionals with deep industry knowledge to run the business in the targeted sectors. Despite the difficult operating environment in the year, we maintained a close relationship with our customers.

The highlight of our financial performance is shown below:

	2010 INSTITUTIONAL BANKING Millions	2009 INSTITUTIONAL BANKING Millions	Dec 2009 vs. Dec 2010 %
Gross Earnings	**17,753**	43,649	-59%
Interest Expense	**(12,415)**	(25,735)	-52%
(Loss)/Profit on Ordinary Activities Before Tax	**(4,149)**	(4,722)	-12%
Assets	**329,713**	357,910	-8%
Liabilities	**174,339**	173,252	1%
Net Assets	**155,374**	184,658	-16%

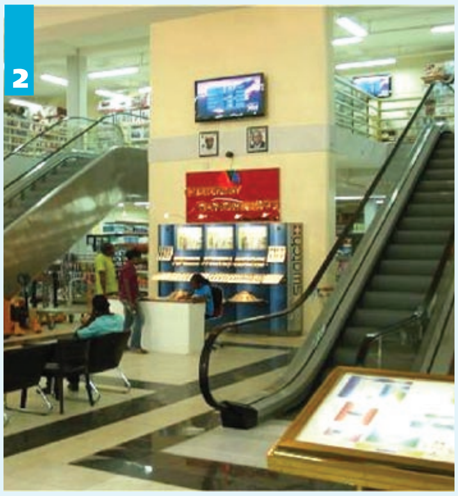
Institutional Banking division recorded a reduced Loss before tax for the 12 month financial year ended December 2010. Loss before tax decreased from N4.7 billion in December 2009 to a Loss before tax of N4.12 billion in December 2010. This represented some improvement as the division recovered from the spike in loan loss expense, reflecting the challenging and difficult operating environment for the division and its clients. However, the macro prudential initiatives instituted by the Central Bank of Nigeria led to an improvement in the volume of transactions in the second half of the 2010 financial year, and the impact of the continued business growth would be more visible in 2011.

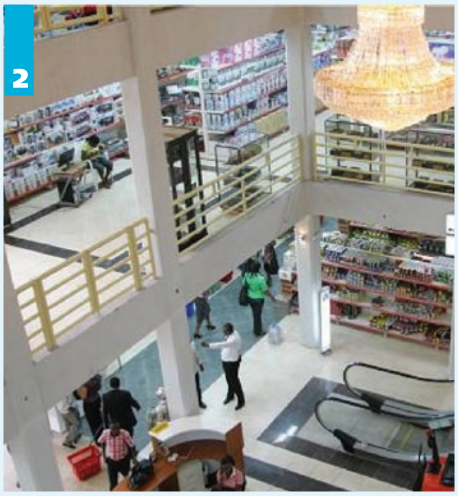
Hence, in 2011 the Institutional Banking division strategy continues to be superior customer service via a relationship team;

— Focused on the customers' value chain meeting the needs of existing and new customers through good grasp of their business

— Signing of new investment grade corporate customers for the Bank

— Aggressive loan recovery drive.





PROJECTS

1. Obax Worldwide Limited. Sequel to the Federal Government's resolve to minimise the environmental hazards from oil production while optimising the gains, a duo objective is to curb the flaring of gas and boost power supply. Consequently, the Nigeria Petroleum Development Company (NPDC) embarked on the leasing of an Early Production Facility (EPF) and a Gas Handling Facility (GHF) for Oredo flowstation.

The project is intended to raise the total capacity to 15,000 BODP and 100MMscfd from 5,000BOPD and 10MMscfd of gas production respectively. Access Bank provided facilities totaling N500 million to part finance the execution of the first phase of a $33 miillion contract awarded to Obax Worldwide Limited by the Nigeria Petroleum Development Company (NPDC) for the supply, installation, operation and maintenance of an Early Production Facility (EPF) at the Oredo flowstation in Edo State.

Obax Worldwide is executing the project in collaboration with a well known company in the United States, Pacific Process System and has achieved 98% completion.

2. Everyday Group of Companies. Everyday Group of Companies is engaged in supermarket and departmental stores business. It runs the ultra modern shopping mall called Everyday Emporium.

It commenced an expansion of its supermarket franchise in response to an increased patronage occasioned by the recent beautification project by the Rivers State Government within Port Harcourt which led to the displacement and eventual closure of a number of supermarkets.

Access Bank Plc provided a total of N950 million to refinance the construction and completion of the ultra modern shopping complex/retail centre located in GRA Port Harcourt.

This new shopping mall consists of a twin tower structure, three floors with warehouse, office space and 36 room en-suite living quarters in the penthouse. The shop floor is a massive open space equipped with escalators and modern shop layout that is the first of its kind in the city of Port Harcourt. .

Total cost for the construction of this shopping mall is approximately N1.2 billion.

This project has received several commendations as shown in the level of business volumes being carried out there. Company's daily sales grew from just about N5 million to over N15 million. The shopping mall was successfully commissioned in March 2010.

At a glance

N55.59bn

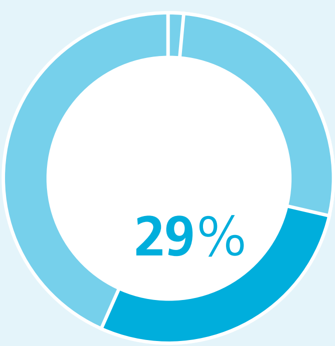
Gross Earnings 2010: N55,591,097,000 +147%

N231.6bn

Total Assets 2010: N231,625,398,000 -11%

N10.31bn

Profit before tax 2010: N10,310,000,000 +662%



COMMERCIAL BANKING
Contribution to total profit
2009: -49%

2010 Performance highlights

The Commercial Banking division serves businesses, suppliers, distributors of large corporate organisations and public sector (Federal and State Government ministries, agencies and parastatals, wealth management). The division offers a full range of banking services and products to meet the needs of the customers by following the value chain of the customers.

Despite the changes in the operating environment, we have remained focused on our strategy driven by the self sustaining value chain model. The unusual changes therefore have resulted in opportunities for the bank to sign on new customers, and increase market share of its customers' business.

During the financial year, the Commercial Banking division redefined its structure and adopted a new organisational model that was based on customer segments;

— Commercial Banking provided products and services to suppliers, distributors and other businesses with an annual turnover below N5 billion
— Public Sector catered to Federal and State Government ministries, agencies and parastatals
— Wealth Management focused exclusively on high net-worth individuals by providing bespoke banking services.

The customer segments, in line with the value chain model of the Bank, served customers of large corporate customers in the Bank's chosen target markets/sectors: Oil & Gas, Telecommunications, Cement, Financial Institutions, Personal Care, Food & Beverages.

The highlight of our financial performance is shown below:

	2010 COMMERCIAL BANKING	2009 COMMERCIAL BANKING	Dec 2009 vs. Dec 2010
	Millions	Millions	%
Gross Earnings	**55,591**	22,504	147%
Interest Expense	**(7,279)**	(1,381)	427%
(Loss)/Profit on Ordinary Activities Before Tax	**10,293**	(1,833)	662%
Assets	**231,625**	259,071	-11%
Liabilities	**361,496**	264,997	36%
Net Assets	**(129,871)**	(5,925)	2092%

The Commercial Banking division more than doubled its gross earnings in the financial year ended, 2010. This combined with successful efforts to recover provisioned assets ensured the segment returned to strong profitability. Profit before Tax increased significantly from a Loss before Tax of N1.8 billion in December 2009 to a Profit before Tax of N10.3 billion in December 2010. The division returned to profitability as a result of the sustainable business model employed by the Bank. There was an improvement in the operating environment as the economy and industry entered the recovery mode. Credit creation improved as a result of various policies instituted by the Central Bank of Nigeria to drive growth through lending to the real sector of the economy.

In 2011, the operating environment will still be challenging, however the Commercial Banking division adhering to best practice will enlarge market share of its customers businesses. The group will embrace the values of efficiency, transparency, accountability, discipline and fairness to deliver an improved result in 2011.

1

2

HIGHLIGHTS

1 Financial Markets. We have renewed optimism for a rebound in the financial markets in 2011.

2 Working for Africa. One of our objectives is to increase the existing financing channels for the private and public sectors through access to local and international Markets, Trading, and Asset Management.

At a glance

N11.7bn

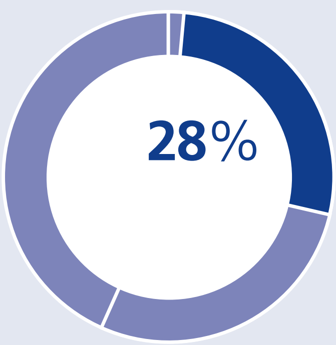
Gross Earnings 2010: N11,682,000,000 -45%

N224.7bn

Total Assets 2010: N224,720,000,000 +394%

N8.02bn

Profit before tax 2010: N8,021,742,900 +202%



INVESTMENT BANKING
Contribution to total profit
2009: +172%

2010 Performance highlights

The Financial Markets division provides specialised financing and investment solutions, trading in Fixed Income and Currency products for our customers. These functions are carried out through the Treasury Group and the Corporate Finance Group.

Access Bank Treasury Group

The Treasury business contributed strongly to bottom-line profits. Within a dynamic, market-driven environment, our teams work closely with corporate customers, pension funds, and governments to deliver superior currency and fixed income solutions tailored specifically for their requirements. The Treasury Group focuses on structuring risk management solutions to help mitigate interest rate and foreign exchange risks for the Bank and its customers. Operating at the cutting edge of financial services, the Group is widely acknowledged as a market leader in the Treasury space as evidenced by its ranking in the monthly polls conducted by the Financial Markets Dealers' Association. We have demonstrated capability to enhance the trading liquidity in various instruments as we executed over 10% of the total secondary market bond transactions conducted in Nigeria in 2010. We also received acknowledgement as the first bank to contribute market quotes for wide-ranging instruments across sub-Saharan African countries on the Bloomberg Professional Software®.

Corporate Finance Group

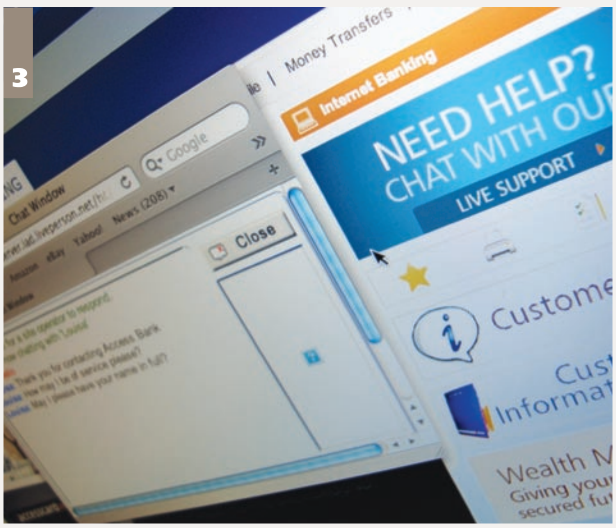
The operating performance for the Corporate Finance Group in the year 2010 was limited by several challenges, which include the global financial meltdown, stunted economic growth within the sub-Saharan African region, unfavourable economic indicators (interest rates, FX volatility and inflation) as well as capital market downturn, among others. Our project finance/on-lending segment was particularly affected by the general liquidity squeeze in the financial sector, which made Banks unwilling to lend to viable projects on a long-term basis. Funds received from development finance institutions were left largely unutilised or partially utilised. Opportunities for syndications were also limited during the year 2010.

We have renewed optimism for a rebound in the financial markets in 2011, as a result of various measures being put in place by the Central Bank of Nigeria, the recovery of sub-Saharan Africa from the global financial crisis, sound economic policy implementation and favourable commodity prices.

	2010 INVESTMENT BANKING	2009 INVESTMENT BANKING	Dec 2009 vs. Dec 2010
	Millions	Millions	%
Gross Earnings	**11,682**	8,041	-45%
Interest Expense	**(1,184)**	(695)	70%
(Loss)/Profit on Ordinary Activities Before Tax	**8,022**	2,666	208%
Assets	**224,720**	45,509	394%
Liabilities	**51,596**	21,814	137%
Net Assets	**173,124**	23,695	631%

During the 12 month period ended 31 December 2010, Investment Banking division was able to sustain and increase profit before tax by 202% from 2.67bn in December 2009 to 8.022bn in December 2010. The division held on to its comparative advantage of creating exceptional value to its clients.

In 2011, we will continue to build on the platform for delivering exceptional value to our stakeholders and to increasing our client base.

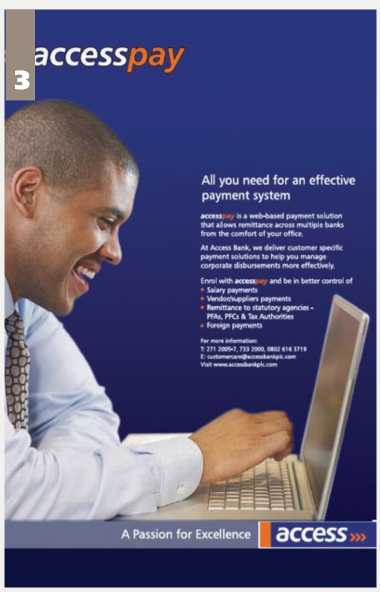


HIGHLIGHTS

1 ATMs. Migration of more cash transactions to self-service ATMs.

2 E-banking channels. Our state-of-the-art multi-media customer contact centre continues to grow and serve its customer base.

3 Mulit-channel platforms. Our innovative corporate payment solutions such as Access Pay ease transactions and provide a multi-channel platform for the collection of revenue/receivables for our clients.



At a glance

N5.79bn

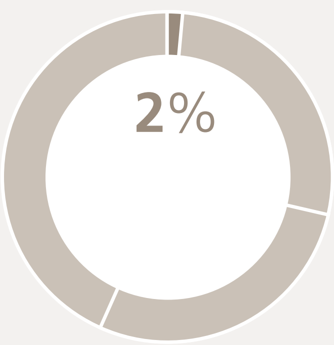
Total Revenue 2010:
N5,788,000,00.0
-42%

N12.6bn

Total Assets 2010:
N12,608,000,000
-46%

N1.98 bn

Profit before tax2010:
N1,979,000,000
+1115%



RETAIL BANKING
Contribution to total profit
2009: 4%

2010 Performance highlights

The Products & Retail Banking division provides a wide range of products and services to employees and major shareholders of corporate organisations, small businesses and customers of large corporate organisations. The organisational model for the retail banking division is structured along three broad customer segments;

- Employees and major shareholders of corporate organisations (from medium to high income professional within an annual income bracket of N1 million to N35 million.
- Small businesses independently owned and operated by an individual or a group of individuals, with no more than a hundred (100) employees and an annual sales turnover between N25 million and N500 million.
- Customers of large corporate organisations; buyers or users of products of the corporate organisation.

Our strategy revolves around exploiting the value chain of Access Bank's large corporate clients by offering specialised products and services tailored to meet their needs. The division benefits from the strength of the Institutional and Commercial Banking divisions, e-banking channels, state-of-the-art multi-media customer contact centre and the branch network of the Bank to grow and serve its customer base.

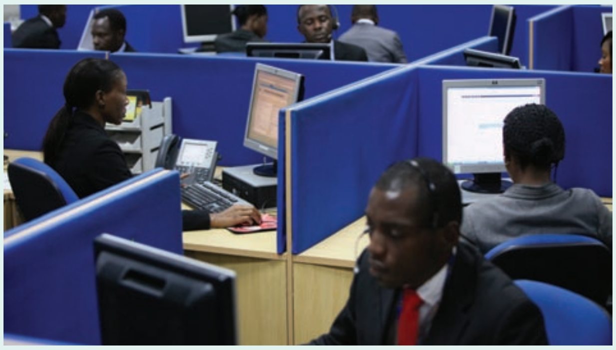
The highlight of our financial performance is shown below:

	2010 RETAIL BANKING	2009 RETAIL BANKING	Dec 2009 vs. Dec 2010
	Millions	Millions	%
Gross Earnings	**5,788**	9,926	-42%
Interest Expense	**(655)**	(2,428)	-73%
(Loss)/Profit on Ordinary Activities Before Tax	**1,981**	163	1115%
Assets	**12,608**	23,504	-46%
Liabilities	**35,409**	59,362	-40%
Net Assets	**(22,802)**	(35,858)	-36%

During the financial year ended 31 December 2010, the Retail Banking division recorded 1115% growth in PBT. The significant increase was as a result of enhanced understanding and application of the Bank's value chain approach to its target market. The performance of the division was buoyed by the Bank's elaborate Enterprise Risk Management framework (resulting in better loan quality for the division) and the deepening of our relations to harness inherent opportunities.

We see tremendous opportunities in our Retail Banking division and have made various significant investments around risk management capacity and product development all geared towards an agressive retail expansion drive in 2011. We will continue to stay close to our target market, increase market share of our customers' businesses and create new relationships through:

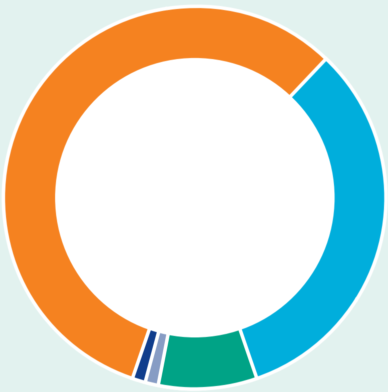
- Increasing customer usage of alternative channels (internet, mobile, telephone banking services, migration of more cash transactions to self-service ATMs and POS etc)
- The push of our innovative corporate payment solutions (Access Pay) to ease transactions and provide a multi-channel platform for the collection of revenue/ receivables for our clients
- Leveraging competences and capabilities in our subsidiaries, external alliances as well as other Strategic Business Units.



HIGHLIGHTS

- **The Transaction Services Division** is central to the fulfillment of Access Bank's promise of excellent service to its clientele through delivery of world-class service and creation of exciting customer experience.

Revenue



CORPORATE
- FX Revenue **30%**
- Handling Charge **9%**
- Commission on Payment Mandates **2%**
- Float Income **2%**
- Trade Services **57%**

RETAIL
- Handling Charge
- Western Union Commission
- Commission on Bank Drafts
- Commission on Cheque Book
- Commission on Funds Transfer
- Commission from other Payment

2010 Performance highlights

The Transaction Services division is central to the fulfillment of Access Bank's promise of excellent service to its clientele through delivery of world-class service and creation of exciting customer experience.

The division's value proposition can be summarised as Quality of Service Delivery, Quality of Process Execution and Efficiency of Operations. The division comprises of the following groups: Central Processing Centre, Global Trade, Branch Services, International Operations and Total Quality Management. The division is also the vehicle by which the Bank mitigates most of the operational risks in the Bank's activities in line with organisational plan.

As part of its alignment with the Bank's corporate objectives and those of other business divisions in the Bank, the Transaction Services Division has in place relationship models for engaging the different categories of the Bank's customers. At the core of the customer engagement relationship model are select Institutional and Public sector clients, who constitute Tier 1. This category is followed by Tier 2, which comprises of the Bank's Corporate and Large Commercial customers who typically have direct business relationships with the Tier 1 clientele. High Networth and Private Banking customers are also categorised as Tier 2. Further, the customer engagement model covers the Bank's smaller commercial and individual clients, who constitute Tier 3. This tier is typically made of entities and persons with direct business or personal relationship with entities in Tiers 1 and 2.

The engagement model is designed to facilitate effective management of customers' expectations and resource dedication for actualisation of institutional objective of excellent service and differentiated offerings to customers. The actualisation of this objective largely rests on the broad knowledge base and professionalism of the Bank's employees and their commitment to one of the core institutional values: Passion for Customers, for which key performance indicators have been developed and measured for improvement.

PAYMENT & COLLECTIONS:

Branch Collections
Implant Services
Cash and Cheques Pick-up Service
Access Revenue and Utility Collections
Remittance
Access Direct Debit
AccessNEFT
RTGS
Standing Instruction
Local Correspondent Banking Relationship
Corporate Domiciliary Account
Current Account Corporate
Call Account
Fixed Deposit
Visacard Corporate
Foreign Funds Remittances

TRADE FINANCE:

Form M Processing
Letters of Credit
Bills for Collection
Form NXP Processing
Shipping Documents Handling
Trade Finance
Invisible Trade Payments
Advisory Services
Offshore Guarantees
Quarterly Trade Digest (Business Intelligence)

OPERATING UNITS:

Branches
Global Trade
Card Services
ATM Support and Channels
Channels and Automation
Cash Management
Funds Transfer

RETAIL PRODUCTS:

Mpower Salary/Vendor Payments
Mpower Current Account
Savings Account
Current Account Individual
Investment Savings Account
Domiciliary Account
Pensions Disbursement
Telegraphic Transfer (Local)
Foreign Funds Remittance
Credit Card
Debit Card

Products and services

RETAIL PRODUCTS
1 Standard Savings Account
2 Access Advantage Account
3 Solo Account
4 Standard Current Account
5 Access Premier Account
6 Mpower Biz Account
7 Mpower Salary Account
8 Mpower Executive Account
9 Mpower Corporate
10 Auto-Online
11 Vehicle Fleet Finance
12 GEM (Gender Empowerment)
13 Investment Savings Account (Target Savings)

FINANCIAL INSTITUTION
1 Cash-backed Stock Acquisition Facility

TREASURY PRODUCTS
1 Treasury Bills
2 Bankers Acceptances
3 Commercial Papers
4 Treasury Bonds
5 Fixed Rate Deposit

COMMERCIAL BANKING PRODUCTS
1 Guaranteed Asset Backed Investments (GAINS)
2 Trade Receivable Forfaiting Products
3 Real Estate Investment Trust Scheme (REITS)
4 Collaterised Mortgage Obligation (CMO)

COLLECTIONS AND PAYMENTS PRODUCTS
1 Pension Disbursement
2 Access Revenue & Utility Remittances
3 Access Branch Collections
4 Access Implant Services
5 Access Direct Debit
6 Access NEFT
7 Access Standing Instructions
8 Bills and Check Pick-ups
9 Salary/Vendor Payments
10 PHCN Online

TRADE FINANCE PRODUCTS
1 Dollar Derivative Facility (LCCL and Dollar Usance)
2 Bills for Collections

e-BANKING PRODUCTS
1 MoneyGram
2 Campus Access
3 Visa International Credit Card
4 Access Mobile
5 Access Online
6 AccessDirect
7 Access Prepaid Card
8 Access Automated Teller Machines (ATM)
9 Access Point of Sale (PoS)
10 Access Debit Cards
11 Access Pay

WEALTH MANAGEMENT PRODUCT
1 Safe Custody

CREDIT PROGRAMS
1 Share Purchase Lending
2 Stockbrokers Credit Program
3 Direct and Indirect Exposures to Banks and Discount Houses
4 DAUE Credit Program
5 Invoice Discounting
6 Cash Collaterised Lending
7 Facility Upgrade Support Scheme
8 Advance Payment Guarantee Scheme
9 SME Short And Long Term Support (SME SALTS)
10 Staff Co-operative Lending Scheme

Access Bank has a robust Information Technology (IT) system that enables it to effectively support Access Bank Group's business strategy for business growth and sustainability.

In 2010, key automation projects were successfully implemented which resulted in business optimisation and delivered competitive advantage for our business. A strategic approach utilised engendered the reduction of the environmental impact of our technology systems.

As a result, we have been able to achieve:

— Business continuity

— Process efficiency and cost reduction

— Increased revenues and profitability

— Robust governance and service excellence

— Environmental sustainability.

During 2010, the following automation initiatives were successfully delivered:

— Automation of the front, middle and back office Treasury processes. This has brought about significant improvements in efficiency, accuracy, controls and significantly improved capability to effectively serve our customers.

— As a key development of our Enterprise Risk Management Framework, automated Asset and Liability and Market Risk applications were implemented. These applications have transformed the Bank's ability to take an integrated and enterprise approach to risk management. A comprehensive Risk Management Dashboard also provides Management with up to date information of business performance across all risk categories.

— Successful automation of our Global Trade business. This platform automates the Global Trade process bringing about improvements in responsiveness to customers, process quality and risk management. A customer-facing portal to enable customer self service in the comfort of their offices, with straight through processing and transaction tracking.

— Successful delivery and implementation of our suite of industry leading integrated payments, collections, cash management and payroll solutions for our clients. These solutions are integrated into our customer's systems to provide efficient and cost effective bulk payments, collections and reporting capabilities, helping customers integrate their payments and collections value chain.

As part of the continued significant investment in core technology in the Bank, our state of the art Data Centre was launched in 2010. One of the most sophisticated Data Centres in Financial Services in Africa; it provides a high availability platform for all of our IT services and has been built to sustain our Bank's growth into the future.

As part of our service to Nigeria and the financial community, we championed the adoption and implementation of the International Financial Reporting Standards (IFRS) in Nigeria, active participation and leadership in shaping the electronic payment services and the shared service initiative of Central Bank of Nigeria.

The Bank continues to develop its enterprise architecture and strategy for IT enabled business transformation to enable sustainable business growth for 2011 and into the future. As part of this strategy, it is now poised to overhaul its core banking application in 2011 with Oracle Corporation's latest FLEXCUBE universal banking platform, further assisting our Bank to effectively leverage technology into the future.

People are the core of Access Bank's identity as a responsible organisation. Our human resource management practices are designed to create an inclusive work environment that accommodates the needs of each individual employee.

We encourage a sense of ownership in all aspects of our business, develop requisite professional and ethical behavioural standards, deliver superior client service, embrace sound financial discipline and recognise and reward good performance. Our objective is to have well-motivated staff that experience career satisfaction and take pride in working for a respected organisation that offers progressive career development at an individual level.

Recruitment and talent management
As a merit-driven organisation, Access Bank is committed to providing equality in employment for all levels of staff. We have put a number of global processes and programmes in place to capture and develop talent from graduate entry to the most senior levels of the organisation.

At entry-level positions, we are interested in young, energetic, result-oriented and highly intelligent individuals with a proven passion for joining a team of driven and high performing professionals. Their career journey begins with four months' intensive training at the Banking School of Excellence where our stars are identified. This helps to reinforce the culture of Access Bank and ensures our people develop the capability needed for business sustainability.

Nanno Kleiterp,FMO Chief Executive Officer and other FMO Senior Executives with Joyce Dimkpa, one of the Bank's Key Talents. She's the 4th Access Bank employee to undergo a one-year full time secondment to the FMO.

Our Values: Excellence, Ethics, Passion for customers, Teamwork, Trust and Continuous learning

At the experienced hire level, we look for ambitious, self motivated individuals with leadership qualities and capabilities, inspired and ready to harness their potential in order to consistently exceed customer expectations.

Recruitment is achieved via a web based e-recruitment portal which provides a platform for equality and transparency throughout the process. At the Access Bank School of Banking Excellence, the performance of each trainee is set against clear and objectively defined benchmarks. The level of performance against these benchmark(s) determines the trainees' absorption into the organisation and subsequent performance evaluation.

Getting the best from our staff
The Human Resources Group at Access Bank in 2010 initiated, implemented and supported the following programmes to enhance employee productivity:

1 **STI (Short Term Incentive):** The Bank engaged Oliver Wyman Consulting Services to conduct a process improvement programme to assess the efficiency of key processes in the Bank and also evaluate our strategy and overall operating model. The objective was to manage cost and improve productivity associated with the minimum hurdle rate of staff. Part of this was simplifying key performance indicators in order to set clear goals, another factor was the uncapping of our performance bonus in profit which drives our employees' productivity.

2 **Revision of our Orientation Programme for managers and above:** To equip our line supervisors and business leaders with the necessary tools and an understanding of our culture, the Bank revised its global employee induction programme for managers and above to improve their learning and skills development.

Programmes were initiated during the course of the 2010 financial year to drive up the deposit volumes of our market-facing business operations.

3 **Exchange Programme with FMO:** FMO is the entrepreneurial development bank of the Netherlands. Annually, we second one staff member to FMO for a year's work experience to enhance staff capacity. Currently we have a Senior Manager on secondment to FMO in The Hague.

4 **Training (international training and e-learning):** Increasingly, our focus is on developing competencies to build a more sustainable organisation. Addressing long-term sustainability issues will require different skillsets and ways of thinking. As part of a bid to enhance our employees' capacity, many of our staff were sent for international training such as the Chartered Institute of Personnel and Development. Our employees also achieved 89,791 training hours through our e-learning platform.

Working with others
During the 2010 financial year, Access Bank partnered with leading universities and international organisations, such as AIESEC and the British Council to create a pipeline for entry level talent.

Amongst our partnership initiatives were the following:

1 Conducting campus recruitment for final year undergraduates

2 Organising career counselling and a Career Day for third-year undergraduates in all partnered universities

3 Presenting Access Bank Awards to the best graduating students in the partnered universities.

In support and service of our country Nigeria and to help achieve organisational objectives, Access Bank seconded a total of four employees to government ministries and establishments:

— A Manager to the Ministry of Finance as a Special Assistant to the Minister of State Finance

— A Manager to the Budget Office as a Special Assistant

— Most recently, two managers (one Senior Manager who is an expert in Branch Expansion and one Assistant Manager from the Corporate Communications department) to the Securities Exchange Commission (SEC). The Commission is currently rebranding its corporate identity and architectural structure and needed a specialist with deep expertise in the field. Access staff were seconded to the Commission with the intention of replicating the formidable positioning of the Access Bank and structure in the repositioning of the Commission's brand. At the same time, the SEC Director was recognised by Access as able to benefit our architectural structure and position our brand favourably within the industry.

The combination of these people-based initiatives have positioned Access Bank as an employer of choice, redefined its performance matrix and delivered value to stakeholders in a responsible manner.

At Access Bank Plc, we recognise that responsible business practice is fundamental to our long-term success.

Our approach to corporate social responsibility (CSR) is versatile, as we believe it must be. In 2010, to ensure its continued relevance, we undertook a rigorous process to comprehensively review our CSR strategy in line with global trends and developments. As a result, the Bank's CSR strategy is currently implemented through a two-pronged approach of responsible business practice and community investment.

Responsible business practice
Access Bank's responsible banking philosophy promotes financial growth and enhances sustainable social and environmental causes across a range of stakeholder groups. The Bank's responsible business practice is reflected in all aspects of its business operations which include, but are not limited to, the following:

Economic development and advocacy: The Bank achieves this through establishing linkages with local and international governmental, non-governmental and private organisations of repute to provide cutting-edge thought leadership and develop an innovative business approach to societal development.

Gender and small and medium enterprise (SME) finance: Access Bank aims to create equal financial opportunities through its support for new and/or emerging businesses. This promotes financial growth while enhancing social and environmental causes.

Environment: Core to our responsible practice is our support for global sustainability efforts at making business operations more conducive for individuals and the environment.

Treating customers fairly: Through this practice, we aim to build and maintain sustainable, long-term relationships with our customers.

Employee and partner relations: This enables the Bank to create an engaging and inclusive work environment while also developing new business opportunities through CSR and sustainability initiatives.

In 2010, Access Bank's innovative business approach to societal development was achieved through the following initiatives:

- Access Bank contributed significantly towards the adoption of the International Finance Reporting Standard (IFRS) in Nigeria. To this end, the Bank organised an IFRS International Conference aimed at preparing Nigerian banking industry stakeholders for the successful adoption of the IFRS by 31 December, 2012.
- Reputed as a 'Bank of Best Practice', Access Bank has commenced the strategic integration of environmental and social (E&S) risk management considerations into its business operations. The review takes all significant E&S issues into consideration while ensuring that our business operations do not degrade the environment or cause social harm. Through this project, Access Bank achieved the following:
  - Developed specific E&S policies for sectors such as Oil & Gas and Cement which have the greatest impacts on E&S risks
  - Reviewed and aligned E&S policy and procedures with international best practice standards
  - Developed a risk management toolkit that will assist the Bank in screening projects to identify potential E&S risks; determine appropriate level of E&S due diligence required for projects and integrate E&S policy into existing credit processes.

Community investment
With an ongoing commitment to appropriate 1% of annual profits in support of charitable investments, the Bank actively seeks to improve the affairs of host communities. It is noteworthy that despite the difficult operating environment in 2010, Access Bank did not curtail its commitments to social investments. Access Bank's community investment is conducted through strategic sponsorships and donations; partnerships and employee volunteering.

Sponsorships and donations
At Access Bank, we also believe that Africans should take responsibility for the development of Africa. To this end, the Bank has taken a significant partnership step with the Global Fund by contributing the sum of US$1 million to fund Global Fund's 'Gift From Africa' Project. This will be used to implement various strategic projects to combat HIV/AIDS, TB and malaria across Africa.

Partnerships
Notable projects include the training of 250 small and medium enterprises (SMEs) to develop HIV/AIDS, TB and malaria workplace policies and programmes in partnership with Friends of the Global Fund Africa, the hosting of a nationwide essay competition titled 'My Tree and I', and the launch of Green Clubs in 36 schools across Nigeria under our "Going Green; Beyond Words" project in collaboration with Idea Builders Initiative.

My Tree and I

Mini Health Mission

Cervical Cancer Awareness Programme

Most Socially Responsible Bank 2010

"So far, over 25,000 lives have been touched and impacted through our employees"

Employee volunteering

As a best-in-class financial services provider, the Bank believes that its employees have their own responsibility to contribute to societal development and so it supports participation in impactful initiatives to address social concerns.

Empowered to contribute ideas, skills and resources to address social issues, our 4500 employees are actively engaged in various high impact and sustainable community development initiatives across Africa in the focus areas of education, health and the environment.

So far, over 25,000 lives have been touched and impacted through our employees. This includes around 15,000 students in educational institutions, 100 orphans and vulnerable children affected by HIV/AIDS, 1500 secondary school students educated about HIV/AIDS, 4000 hospital patients, 2000 community members gaining access to portable water and around 3500 orphans, old people, prison inmates and motherless children.

Through employees' Adopt-A-School project, various institutions such as Mafoluku Grammar School and Ladipo Grammar School have been renovated and provided with facilities to ensure a conducive learning environment; our mentorship and skills sharing initiative has enhanced the National Youth Service Corp Scheme while also benefiting secondary school students and teachers. Our employees have developed stage plays to educate stakeholders on HIV/AIDS and have also provided communities such as Ibeju Lekki with borehole facilities for portable water. Oni Memorial Hospital and Apapa General Hospital are beneficiaries of our hospital intervention projects.

The Cervical Cancer Awareness Programme has provided free screening for women and we also sponsored cataract eye surgery for the less privileged in Calabar and Yola.

In recognition of our CSR efforts, Access Bank was named 'Most Socially Responsible Bank 2010' at the African Banker Awards.

Risk Management

"Access Bank Plc has a well-established risk governance structure and an experienced risk team. Our risk management framework provides essential tools to enable us to take timely and informed decisions to maximise opportunities and mitigate potential threats. Access Bank has taken pre-emptive action to reshape the portfolio, tighten underwriting standards and increase the frequency of risk monitoring and stress testing in case of adverse scenarios or downturns."

Approach to Risk

Risk is an inherent part of Access Bank Plc and its subsidiary companies' ("the Bank") business activities. Access Bank's overall risk tolerance is established in the context of the Bank's earnings power, capital, and diversified business model. Effective risk management is critical to any Bank for achieving financial soundness.

In view of this, aligning risk management to the Bank's organisational structure and business strategy has become an integral part of our business. Access Bank's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks inherent in its business activities. It is also intended to create a culture of risk awareness and personal responsibility throughout the Bank.

The Bank has taken pre-emptive action to reshape the portfolio, tighten underwriting standards and increase the frequency of risk monitoring and stress testing. These actions will not immunise the Bank from the effects of a cyclical downturn in its core markets, but should mitigate their impact.

Our risk profile at the end of 2010 is marked by a number of key developments. The Bank has low exposure to higher-risk asset classes, and has maintained vigilance and discipline in responding to the challenging environment. It also has a diversified portfolio across countries, products and customer segments; disciplined liquidity management; a well-established risk governance structure; and an experienced senior team.

Access Bank has been disciplined in its management of risk. The Bank has increased its focus on the inter-relationships between risk types and, where appropriate, underwriting standards have been tightened. It has also conducted periodic reviews of risk exposure limits and risk control disciplines so as to position itself against adverse developments. To mitigate against higher levels of market volatility and economic uncertainty, the Bank regularly subjects its exposures to a range of stress tests across a wide variety of products, portfolios and customer segments.

The Bank's risk management architecture is carefully crafted to balance corporate oversight with well-defined risk management functions which fall into one of three lines of defence where risk must be managed: lines of business, governance & control and corporate audit. The Board of Directors and Management of the Bank are committed to constantly establishing, implementing and sustaining tested practices in risk management to match those of leading international banks. We are convinced that the long-term sustainability of our Bank depends critically on the proper governance and effective management of our business.

As such, risk management occupies a significant position of relevance and importance in the Bank.

The Board of Directors determines Access Bank's overall objectives in terms of risk by issuing risk policies. These policies define acceptable levels of risk for day-to-day operations as well as the willingness of Access Bank to assume risk, weighed against the expected rewards. The umbrella risk policy is detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and actively managing these risks in a cost-effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market and operational risks.

The evolving nature of risk management practices and the dynamic character of the banking industry necessitate regular review of the effectiveness of each enterprise risk management component. In light of this, the Bank's ERM Framework is subject to continuous review to ensure effective and cutting-edge risk management. The review is done in either or both of the following ways: via continuous self-evaluation and monitoring by the Risk Management and Compliance Divisions in conjunction with internal audits; and through independent evaluation by external auditors, examiners and consultants.

The Chief Risk Officer has primary responsibility for risk management and the review of the ERM Framework and to provide robust challenge to the management teams based on quantitative and qualitative metrics. All amendments to the Bank's ERM Framework require Board approval. The risk management division is responsible for the enforcement of the Bank's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

Overall, we view risk not only as a threat or uncertainty, but also as a potential opportunity to grow and develop the business, within the context of risk appetite. Hence, our approach to risk management is not limited to considering downside impacts or risk avoidance; it also encompasses taking risk knowingly for competitive advantage. Access Bank approaches risk, capital and value management robustly and we believe that our initiatives to date have positioned the Bank at the leading edge of risk management.

Risk and Capital Drive Value

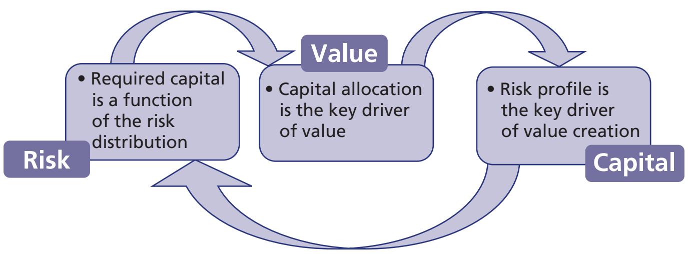
The pursuit of value requires us to balance risk assumed with capital required. Hence, we have embarked on a journey, which requires us to undertake analysis involving optimising the upside and minimising the downside on an ongoing and rigorous basis. We believe that this process will add value for our shareholders, and provide security to our other capital providers and clients, as well as ensure overall sustainability in our business activities.

Every business activity in our Bank requires us to put capital at risk, in exchange for the prospect of earning a return. In some activities, the level of return is quite predictable, whereas in other activities the level of return can vary over a very wide range, ranging from a loss to a profit. Accordingly, over the past year we have expended substantial energy on improving our risk and capital management framework, to focus on taking risks where we:

- Understand the nature of the risks we are taking, and what the range of outcomes could be under various scenarios, for taking these risks;
- Understand the capital required in order to assume these risks;
- Understand the range of returns that we can earn on the capital required to back these risks; and
- Attempt to optimise the risk-adjusted rate of return we can earn, by reducing the range of outcomes and capital required arising from these risks, and increasing the certainty of earning an acceptable return.

Our objective of balancing risk, return and capital has led us to enhance substantially our risk management methodologies, in order to be able to identify threats, uncertainties and opportunities and in turn develop mitigation and management strategies to achieve an optimal outcome.

Fig. 1. Risk and Capital Drive Value



Value is added for shareholders if our process allows us to demonstrate sustainable risk-adjusted returns in excess of our cost of capital. The process provides security to our capital providers and clients by assuring them that we are not taking on incremental risks which adversely affect the outcomes we have contracted to deliver to them.

Basel II Implementation

Access Bank has applied the Basel II framework as part of its capital management strategy since 2009. Substantial enhancements were made to the risk management framework based on the guidelines of the Basel II Capital Accord.

- Design of risk capital model to evaluate risks;
- A defined risk appetite that is aligned with business strategy optimisation;
- Risk decisions based on accurate, transparent and rigorous analytics;
- Stress tests to measure the potential impact to the Bank of very large changes in various types of key risk factors (eg interest rates, liquidity, non-performing loans) as well as several potential impact of a number of historical and hypothetical forward-looking systemic stress scenarios;
- Accountability through common framework to manage risks;
- Empowering risk managers to make decisions and escalate issues; and
- Expertise, authority and independence of risk managers.

The Basel II Capital Accord is a set of new, more risk-sensitive rules for capital requirement calculations, which came into effect on 1 January 2007. The Basel II rules define the minimum capital a financial institution should hold for unexpected events. They also provide sets of minimum qualitative standards and risk management practices that a financial institution should have in place. The current Basel II rules include capital requirements for operational risk, in addition to credit and market risk, which are already covered in the current Basel I.

The Accord is made up of three pillars:

Pillar I covers the calculation of risk-weighted assets for credit risk, market risk and operational risk;

Pillar II addresses the supervisory review process, the financial institution's capital adequacy assessment including other risks not addressed under Pillar I and the strategy for maintaining capital levels. In other words, it allows firms and supervisors to take a view on whether the firm should hold additional capital to cover the three Pillar 1 risk types, or to cover other risks. A firm's own internal models and assessments support this process; and

Pillar III addresses market discipline and requirements regarding market disclosure of risk-related information. It covers external communication of risk and capital information by banks.

Basel II also provides for different approaches to calculating capital requirements.

At Access Bank, we are committed to the implementation of Basel II in the medium term. To this end, a standing steering committee leads the Bank's Basel II effort, with the full support of the Management of the Bank and the Board of Directors.

Through an embedded risk governance structure, a continuous focus on credit, the management of the Bank's liquidity position and the monitoring of the Bank's risk-weighted assets demand and capital supply, the Bank ensures compliance with minimum regulatory and Board-approved capital targets.

The Bank also monitors, on a continuous basis, risk trends in business areas where the environment is changing and/or its growth rates are increasing to ensure that the Bank remains within its set risk appetite. For each of the risk trends, the Executive Committee and Board are informed of changes in the environment relating to the specific risk trend, the Bank's positioning, exposure and actions being taken or planned.

Enterprise-wide Stress Testing

As a part of our core risk management practices, the Bank conducts enterprise-wide stress tests on a periodic basis to better understand earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. These enterprise-wide stress tests provide an understanding of the potential impacts to our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business.

Stress testing and scenario analysis are used to assess the financial and management capability of Access Bank to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenario(s) are carefully selected by a group drawn from senior line of business, risk and finance executives. Impacts to each line of business from each scenario are then analysed and determined, primarily leveraging the models and processes utilised in everyday management routines.

Impacts are assessed along with potential mitigating actions that may be taken in each scenario. Analysis from such stress scenarios is compiled for and reviewed through our Group ALCO, and the Enterprise Risk Management Committee and serves to inform and be incorporated, along with other core business processes, into decision making by Management and the Board. The Bank would continue to invest in and improve stress testing capabilities as a core business process. See Fig. 2.

Our stress testing framework is designed to:

- Contribute to the setting and monitoring of risk appetite
- Identify key risks to our strategy, financial position, and reputation
- Examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
- Ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing
- Inform senior management
- Ensure adherence to regulatory requirements

In 2010, stress testing activity was intensified, with specific focus on certain asset classes, customer segments and the potential impact of macroeconomic factors. Stress tests have taken into consideration possible future scenarios that could arise as a result of the development of prevailing market and environmental conditions. Stress testing themes such as inflation, Naira exchange rate fundamentals, declines in asset values, depletion of external reserves, potential border conflicts are built into the testing to ensure consistency of impacts on different risk types.

Examples of risk type stress testing are covered in the section on Market risk.

Risk Management Philosophy, Culture, Appetite and Objectives

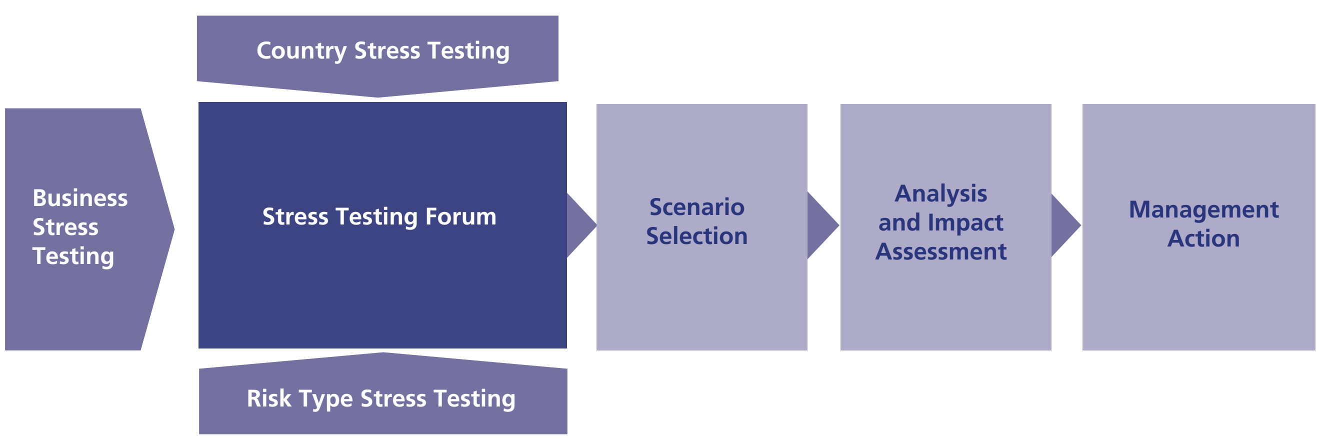
Risk management philosophy and culture

Risk management is at the core of the operating structure of the group. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimising undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

Our risk management process was effective throughout 2010, despite a tough economic environment. However, the Bank's risk management is continuously evolving and improving, given that there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times. Hence, executive management has remained closely involved with important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, as well as managing the risk portfolios.

Risk management is integral to the Bank's decision-making and management process. The Bank's ambition is to embed it in the role and purpose of all employees via the organisational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Fig. 2. Stress Testing Framework



Access Bank considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterise how the Bank considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Bank's risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Bank believes that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks. This will ensure that:

- Risk acceptance is done in a responsible manner;
- The executive and the Board of the Bank have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Bank identifies the following attributes as guiding principles for its risk culture.

(a) Management and staff:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit and Bank-wide risk profile to consider what is best for their individual business units/department and what is best for the Bank as a whole;
- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- Accept that enterprise risk management is mandatory, not optional;
- Strive to achieve best practices in enterprise risk management;
- Document and report all significant risks and enterprise-risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight functions;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure a clearly defined risk management governance structure;
- Ensure clear segregation of duties between market facing business units and risk management/control functions;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in development of strategy and pursuit of objectives.

(b) Risk officers work as allies and thought partners to other stakeholders within and outside the Bank and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

(c) Risk management is a shared responsibility. Therefore, the Bank aims to build a shared perspective on risks that is based on consensus.

(d) Risk management is governed by well-defined policies, which are clearly communicated across the Bank.

(e) Equal attention is paid to both quantifiable and non-quantifiable risks.

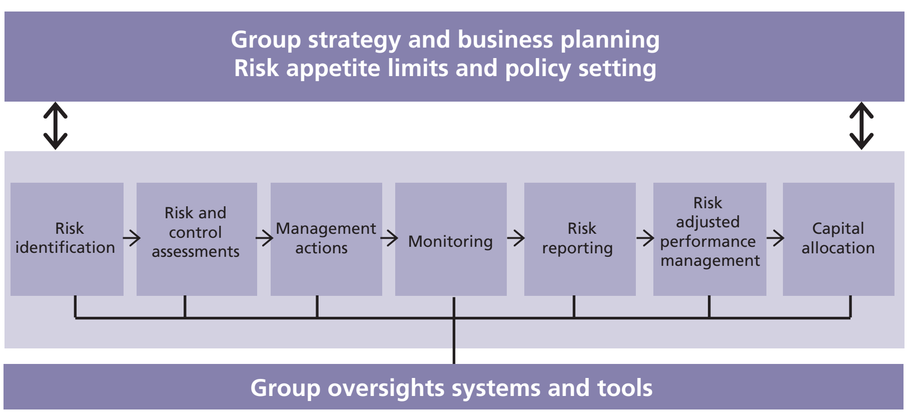
(f) The Bank avoids products and businesses it does not understand. See Fig. 3.

Bank risk oversight approach

Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

The Bank's Risk Management and Compliance Division provides a central oversight of risk management across the Bank to ensure that the full spectrum of risks facing the Bank are properly

Fig. 3. Risk Management Process



identified, measured, monitored and controlled in order to minimise adverse outcomes.

The division is complemented by the financial control and regulatory/reputation risk group in the management of strategic and reputational risks respectively.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Bank. Internal audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where there are weaknesses.

Strategy and business planning

Risk management is embedded in our business strategy and planning cycle. Testament to this is the inclusion of risk management as one of our strategic priorities. By setting the business and risk strategy, we are able to determine appropriate capital allocation and target setting for the Bank and each of our businesses.

All business units are required to consider the risk implications of their annual plans. These plans include analysis of the impact of objectives on risk exposure. Throughout the year, we monitored business performance regularly focusing both on financial performance and risk exposure. The aim is to continue the process of integrating risk management into the planning and management process and to facilitate informed decisions.

Through ongoing review, the links between risk appetite, risk management and strategic planning are embedded in the business so that key decisions are made in the context of the risk appetite for each business unit.

Risk appetite

Risk appetite is an articulation and allocation of the risk capacity or quantum of risk Access Bank is willing to accept in pursuit of its strategy, duly set and monitored by the Executive Committee and the Board, and integrated into our strategy, business, risk and capital plans. Risk appetite reflects the Bank's capacity to sustain potential losses arising from a range of potential outcomes under different stress scenarios.

The Bank defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. Our risk appetite can be expressed in terms of how much variability of return the Bank is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. We measure and express risk appetite qualitatively and in terms of quantitative risk metrics. The quantitative metrics include earnings at risk (or earnings volatility) and, related to this, the chance of regulatory insolvency, chance of experiencing a loss and economic capital adequacy. These comprise our group-level risk appetite metrics. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (eg credit, market and asset and liability management risks).

The Bank's risk profile is assessed through a 'bottom-up' analytical approach covering all major businesses, countries and products. The risk appetite is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix.

In 2010, we sought to enhance the consolidation, focus and reporting of the key financial risk appetite metrics, and the cascade from group level down to business unit and monoline level.

Accordingly, we established an enhanced suite of base case [through-the-cycle (TTC)] risk appetite metrics and incorporated these within the 2011–2016 business plans. Stressed (extreme event) risk appetite metrics, linked to our stress- and scenario-testing programme, will be finalised in 2011. Access Bank has cultivated and embedded a prudent and conservative risk appetite, focused on the basics and core activities of banking.

Risk management objectives

The broad risk management objectives of the Bank are:

- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximise earnings potential and opportunities;
- To maximise share price and stakeholder protection;
- To enhance credit ratings and depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective actions.

Scope of risks

The scope of risks that are directly managed by the Bank are as follows:

- Credit risk
- Operational risk
- Market and liquidity risk
- Legal and compliance risk
- Strategic risk
- Reputational risk
- Capital risk.

These risks and the framework for their management are detailed in the enterprise risk management framework.

Responsibilities and functions

The responsibilities of the Risk Management and Compliance division, the Financial Control and Strategy Group, Regulatory/ Reputation Risk Group with respect to risk management, are highlighted opposite. The responsibilities of the Regulatory/ Reputational Risk Group are not included:

Risk Management and Compliance Division

(a) Champion the implementation of the ERM Framework across the Bank and subsidiaries. Periodically receive risk reports from Management highlighting key risk areas, control failures and remedial action steps taken by Management.

(b) Develop risk policies, principles, process and reporting standards that define the Bank's risk strategy and appetite in line with the Bank's overall business objectives.

(c) Ensure that controls, skills and systems are in place to enable compliance with the Bank's policies and standards.

(d) Facilitate the identification, measurement, assessment, monitoring and control of the level of risks in the Bank.

(e) Collect, process, verify, monitor and distribute risk information across the Bank and other material risk issues to senior management, the Board and regulators.

(f) Monitor compliance with bank-wide risk policies and limits.

(g) Provide senior management with practical, cost effective recommendations for improvement of risk management.

(h) Act as a key contact for senior management who may wish to request ad hoc reviews/investigations.

(i) Ensure that laws, regulations and supervisory requirements are complied with, including consequence management.

(j) Champion the implementation of Basel II.

(k) Promote risk awareness and provide education on risk.

(l) Provide assurance on compliance with internal and external policies with respect to risk management.

Financial Control and Strategy

(a) Prepare and monitor the implementation of the Bank's strategic plan.

(b) Conduct strategic and operational review of the Bank's activities.

(c) Conduct regular scanning of the Bank's operating environment.

(d) Coordinate and monitor the Bank's rating exercises by external rating agencies.

(e) Prepare business intelligence reports for the Bank's Management.

(f) Prepare periodic management reports on subsidiaries and associates.

(g) Perform competitive analysis in comparison with industry peers.

(h) Conduct strategic/operational review of branches.

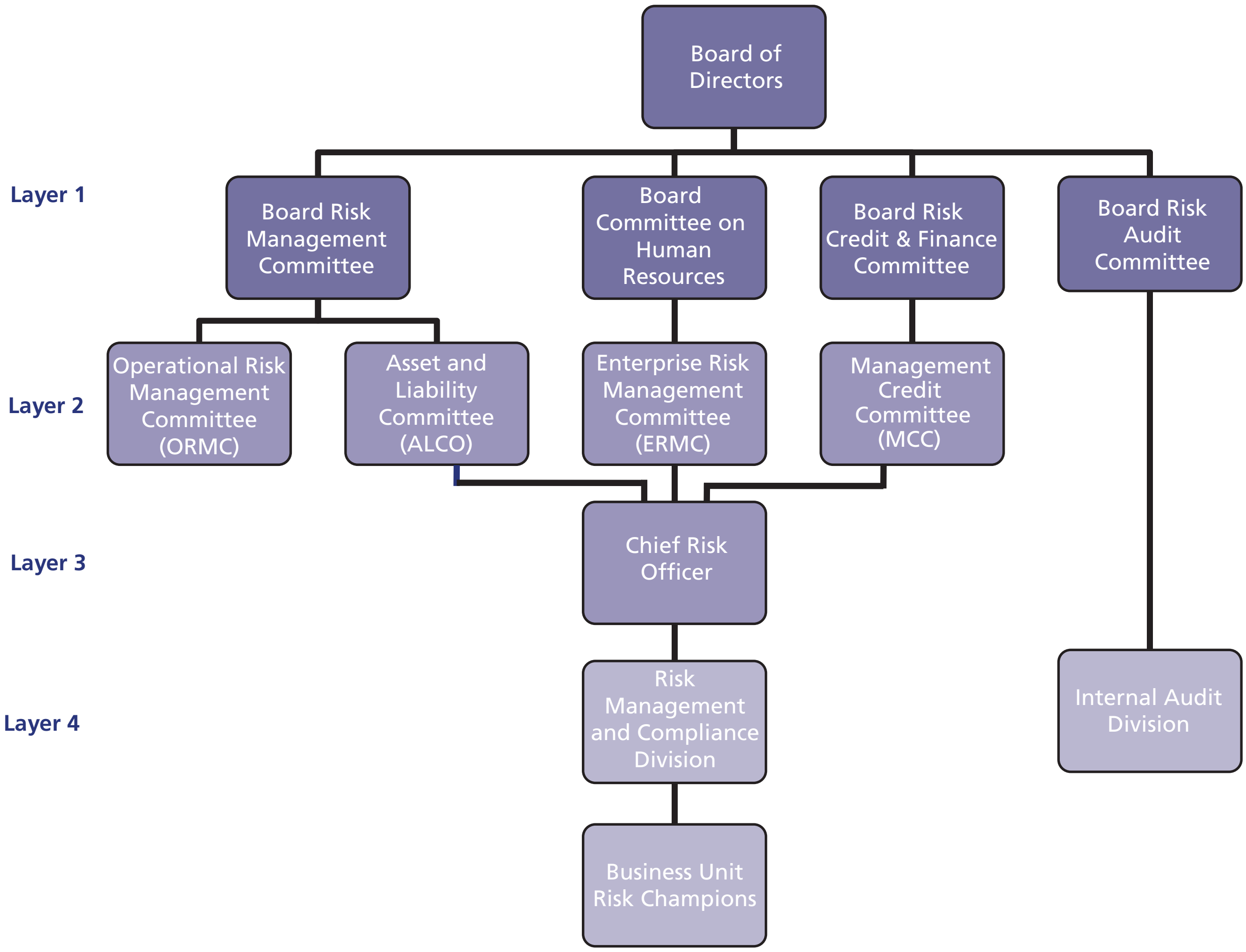
Risk Management Governance Framework

The framework details Access Bank's risk universe and governance structure comprising three distinct layers:

1. The enterprise-wide risk management and corporate governance Committee forums;
2. The Executive Management Committees; and
3. Risk management responsibilities per risk area.

Fig.4. Risk Management Governance Structure

Access Bank's Risk Management Governance Structure is depicted below.



Role of the Board of Directors

The Board of Directors' role, as it relates to risk management, is divided into six areas; general, credit, market, compliance, operational, and reputational risks.

Specific roles in these areas are further defined below:

General Risk

(a) Develop a formal enterprise-risk management framework;

(b) Review and approve the establishment of a risk management function that would independently identify, measure, monitor and control risks inherent in all risk-taking units of the Bank;

(c) Ratify the appointment of qualified officers to manage the risk management function;

(d) Approve and periodically review the Bank's risk strategy and policies;

(e) Approve the Bank's risk appetite and monitor the Bank's risk profile against this appetite;

(f) Ensure that the Management of the Bank has an effective ongoing process to identify risk, measure its potential impact and proactively manage these risks;

(g) Ensure that the Bank maintains a sound system of risk management and internal control with respect to:

- Efficiency and effectiveness of operations
- Safeguarding of the Bank's assets (including information)
- Compliance with applicable laws, regulations and supervisory requirements
- Reliability of reporting
- Behaving responsibly towards all stakeholders;

(h) Ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;

(i) Ensure that Management maintains an appropriate system of internal control and review its effectiveness;

(j) Ensure risk strategy reflects the Bank's tolerance for risk;

(k) Review and approve changes/amendments to the risk management framework;

(l) Review and approve risk management procedures and control for new products and activities; and

(m) Periodically receive risk reports from Management highlighting key risk areas, control failures and remedial action steps taken by Management.

Credit risk

(a) Approve the Bank's overall risk tolerance in relation to credit risk based on the recommendation of the Chief Risk and Compliance Officer;

(b) Ensure that the Bank's overall credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;

(c) Ensure that top management as well as individuals responsible for credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;

(d) Ensure that the Bank implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit risk;

(e) Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and

(f) Appoint credit officers and delegate approval authorities to individuals and committees.

Market risk

(a) Define the Bank's overall risk appetite in relation to market risk;

(b) Ensure that the Bank's overall market risk exposure is maintained at levels consistent with the available capital;

(c) Ensure that top management as well as individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function;

(d) Approve the Bank's strategic direction and tolerance level for liquidity risk;

(e) Ensure that the Bank's senior management has the ability and required authority to manage liquidity risk;

(f) Approve the Bank's liquidity risk management framework; and

(g) Ensure that liquidity risk is identified, measured, monitored and controlled.

Compliance risk

(a) Approve the Bank's code of conduct and ethics;

(b) Monitor the Bank's compliance with laws and regulations, its code of conduct and ethics and corporate governance practices;

(c) Ensure new and changed legal and regulatory requirements are identified, monitored and reflected in the Bank's processes;

(d) Approve the compliance structure, mechanisms and processes established by management to ensure compliance with current laws, regulations and supervisory requirements; and

(e) Ensure the Bank has a compliance culture that contributes to the overall objective of risk management.

Operational risk

(a) Oversee the overall governance of the Bank's operational risk management process;

(b) Set the Bank's operational risk strategy and direction in line with the Bank's corporate strategy;

(c) Approve the Bank's operational risk management framework;

(d) Periodically review the framework to ensure its relevance and effectiveness;

(e) Ensure that senior management is performing their risk management responsibilities; and

(f) Ensure that the Bank's operational risk management framework is subject to effective and comprehensive internal audit by operationally independent, appropriately trained and competent staff.

Reputational risk

(a) Set an appropriate tone and guidelines regarding the development and implementation of effective reputation risk management practices, including an explicit statement of a zero tolerance policy for all unethical behaviour;

(b) Approve the Bank's framework for the identification, measurement, control and management of reputational risk;

(c) Monitor the Bank's compliance with its reputational risk management policies and recommend sanctions for material breaches of internal policies;

(d) Review all exception reports by external parties such as regulators and auditors; ensure that appropriate sanctions are applied to erring officers; demand from Management appropriate explanations for all exceptional items; ensure that Management puts in place effective and remedial actions and reports on progress to the Board on an ongoing basis;

(e) Ensure that Board members do not compromise their fit and proper status with regulators. They shall ensure that only Board members who do not tarnish the Bank's image and reputation remain as members; and

(f) Ensure that only fit and proper persons are appointed to senior management positions in the Bank.

The Board and Management Committees

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board.

The Management Committees are: The Executive Committee (EXCO), Enterprise Risk Management Committee (ERMC), Management Credit Committee (MCC), Group Asset & Liability Committee (Group ALCO), and Operational Risk Management Committee (ORMC).

In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board's four standing committees are: the Board Risk Management Committee, the Board Audit Committee, the Board Human Resources Committee and the Board Credit & Finance Committee.

The roles and remits of the Committees are as follows:

Committee	Key Objective	Membership
Board Risk Management Committee	The primary role of the Committee is to report to the Board and provide appropriate advice and recommendations on matters relevant to risk management.	4 Non-Executive Directors appointed by the Board of Directors Group Managing Director Group Deputy Managing Director Executive Directors as appointed Chaired by an independent Director
Board Audit Committee	The Committee assists the Board in ensuring the independence of the internal audit function of the Bank.	3 Non-Executive Directors appointed by the Board of Directors Executive Directors as appointed
Board Credit & Finance Committee	The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been approved by the Management Credit Committee. It also acts as a catalyst for credit policy changes.	7 Non-Executive Directors appointed by the Board of Directors Group Managing Director Group Deputy Managing Director 3 Executive Directors as appointed One of the non-Executive Directors shall be Chairman of the Committee Chaired by an independent Director
Board Human Resources Committee	The Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the directors and employees of the Bank.	4 Non-Executive Directors appointed by the Board of Directors Group Managing Director Group Deputy Managing Director
The Executive Committee (EXCO)	The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.	Group Managing Director as – Chairman Group Deputy Managing Director All the Executive Directors
Enterprise Risk Management Committee (ERMC)	The Bank's Enterprise Risk Management Committee is responsible for managing all risks with the exception of credit, market and liquidity risks. The risks within the Committee's purview include (but are not limited to) strategic, reputational, compliance and operational risks.	Group Managing Director (Chairman) Group Deputy Managing Director All Executive Directors Chief Risk Officer Chief Compliance Officer Chief Financial Officer All ERM Division Heads Head, Corporate Affairs Head, Legal Department Head, Information Technology

Committee	Key Objective	Membership
Management Credit Committee (MCC)	This Committee is responsible for managing credit risks in the Bank.	Group Managing Director/Chief Executive Officer – Chairman Group Deputy Managing Director – Vice Chairman All Executive Directors Group Head, Credit Risk Management Team Leaders, Credit Risk Management Group Heads, Commercial Bank Group Heads, Institutional Bank Group Heads, Operations & IT Group Head, Compliance Group Head, Internal Audit Head of Legal (or his/her nominee as approved by the GMD/CEO) Other Group Heads
Group Asset & Liability Committee (Group ALCO)	The Group ALCO is responsible for the optimum management of the Bank's balance sheet and taking relevant decisions, as well as recommending to the Board of Directors prudent asset/liability management policies and procedures that enable the Bank to achieve its goals while operating in full compliance with all relevant laws and regulations.	Group Managing Director/Chief Executive Officer – Chairman Group Deputy Managing Director Group Executive Directors Chief Risk Officer Country Managing Directors Country Treasury Heads Group Treasurer Head, Financial Control – Domestic Head, Financial Control – International Head, Group Asset & Liability Management Head, Group Market Risk Head, Credit Risk
Operational Risk Management Committee (ORMC)	The Committee is responsible for the effectiveness of the operational risk management function within the Bank. All decisions and deliberations of the Committee are reported to the Board Risk Management Committee.	Group Managing Director/Chief Executive (GMD) – Chairman Group Deputy Managing Director All Division Heads/ Executive Directors Chief Risk Officer Head, Operational Risk Management Group Chief Information Officer Head, Group Compliance and Internal Control Head, Group Internal Audit Head, Group HR Other Group Heads or persons to be designated by the Committee from time to time

Without prejudice to the roles of these committees, the full Board shall retain ultimate responsibility for risk management.

Specific roles of the Board and Management Committees

The Board's risk management oversight roles and responsibilities are delegated to the following committees:

Board Risk Management Committee

Specifically, the Committee performs the following functions:

(a) Oversee the establishment of a formal written policy on the Bank's overall risk management framework. The policy defines risks and risk limits that are acceptable and unacceptable to the Bank. It provides guidelines and standards to administer the acceptance and ongoing management of all risks;

(b) Ensure that adequate policies are in place to manage and mitigate the adverse effects of both business and control risks in its operations;

(c) Ensure compliance with established policy through periodic review of reports provided by management, internal and statutory auditors and the supervisory authorities;

(d) Approve the appointment of qualified officers to manage the risk function;

(e) Oversee the management of all risks except credit risk in the Bank;

(f) Re-evaluate the risk management policy of the Bank on a periodic basis to accommodate major changes in internal or external factors;

(g) Evaluate internal processes for identifying, assessing, monitoring and managing key risk areas, particularly:
   - Important judgments and accounting estimates
   - Business and operational risks in the areas of credit, market and operations
   - Specific risks relating to outsourcing
   - Consideration of environmental, community and social risks;

(h) Evaluate the adequacy of the Bank's risk management systems and control environment with management and auditors (internal and external);

(i) Evaluate the Bank's risk profile, the action plans in place to manage risks, and monitor progress against plan to achieve these actions;

(j) Review the processes the Bank has in place for assessing and continuously improving internal controls, particularly those related to areas of significant risk; and

(k) Approve the provision of risk management services by external providers.

Board Audit Committee

The Committee performs the following functions:

(a) Oversee the development of a procedure for the receipt, retention and treatment of complaints received by the Bank, regarding accounting, internal accounting controls, unethical activity/breach of the corporate governance code or audit matters, including a means for the Bank's stakeholders (employees, customers, suppliers, applicants and others) to submit such complaints in a confidential and anonymous manner;

(b) Investigate any matter brought to its attention, within the scope of its duties, with the authority to retain counsel or other advisors, if in its judgment that is appropriate, at the expense of the Bank;

(c) Submit meeting minutes and, as appropriate, discuss the matters deliberated upon at each Committee meeting with the Board of Directors;

(d) Annually review and reassess its responsibilities, functions, pre-approval policy for audit and non-audit services, and charter, making changes as necessary, and conduct an annual performance evaluation of its activities;

(e) Ensure that the Bank provides adequate funding, as determined by the Committee, to the Committee for payment and compensation for advisers engaged by the Committee, and payment of ordinary administrative expenses incurred by the Committee in carrying out its duties;

(f) Review the proposed audit plan(s) and review the results of internal audits completed since the previous committee meeting, as well as the focus of upcoming internal audit projects;

(g) Approve the appointment and termination of the Chief Internal Auditor, based on the recommendations of the Bank's executive management;

(h) Evaluate the process the Bank has in place for monitoring and assessing the effectiveness of the internal audit function;

(i) Monitor the progress of the internal audit programme and considers the implications of internal audit findings on the control environment;

(j) Monitor the implementation of agreed action plans by management;

(k) Review reports from the internal auditors detailing their key findings and agreed management actions;

(l) Review the appropriateness of the qualification of the internal audit personnel and work resources; and

(m) Review the internal audit reporting lines and independence.

Board Credit Committee

The Board Credit Committee under delegated authority is responsible for the following:

(a) Facilitate the effective management of credit risk by the Bank;
(b) Approve credit risk management policies, underwriting guidelines and standard proposals on the recommendation of the Management Credit Committee;
(c) Approve definition of risk and return preferences and target risk portfolio;
(d) Approve the Bank's credit rating methodology and ensure its proper implementation;
(e) Approve credit risk appetite and portfolio strategy;
(f) Approve lending decisions and limit setting;
(g) Approve new credit products and processes;
(h) Approve assignment of credit approval authority on the recommendation of the Management Credit Committee;
(i) Approve changes to credit policy guidelines on the recommendation of the management credit committee;
(j) Approve credit facility requests and proposals within limits defined by Access Bank Plc's credit policy and within the statutory requirements set by the regulatory/supervisory authorities;
(k) Recommend credit facility requests above stipulated limit to the Board;
(l) Review credit risk reports on a periodic basis;
(m) Approve credit exceptions in line with Board approval; and
(n) Make recommendations to the Board on credit policy and strategy where appropriate.

Board Committee on Human Resources

The Board Committee on Human Resources has responsibility for the following:

(a) Ensure the right calibre of executive management is attracted, retained, motivated and rewarded;
(b) Make recommendations on the remuneration of the Chairman, non-executive directors and executive directors to the Board for ratification;
(c) Approve remuneration levels for senior management and other Bank personnel;
(d) Review and approve remuneration policies and strategy; and
(e) Monitor the Bank's people-risk universe.

Specific roles of Management Committees

The following Management Committees are directly responsible for risk management oversight:

Enterprise Risk Management Committee (ERMC)

The Committee has the following responsibilities for all risks within its purview:

(a) Formulating policies;
(b) Monitoring implementation of risk policies;
(c) Reviewing risk reports for presentation to the Board/Board Committees; and
(d) Implementing Board decisions across the Bank.

Management Credit Committee (MCC)

The Committee has the following responsibilities:

- Review credit policy recommendations for Board approval;
- Approve individual credit exposure in line with its approval limits;
- Agree on portfolio plan/strategy for the Bank;
- Review monthly credit risk reports and remedial action plan; and
- Coordinate the Bank's response to material events that may have an impact on the credit portfolio.

The Committee is assisted by the credit risk management function, whose responsibilities are to:

- Establish and maintain effective credit risk management environment in the Bank;
- Review proposals in respect of credit policies and standards and endorse to the Board of Directors for approval;
- Define the Bank's risk and return preferences and target risk portfolio;
- Monitor on an ongoing basis the Bank's risk quality and performance, review periodic credit portfolio reports and assess portfolio performance;
- Define credit approval framework and assign credit approval limits in line with bank policy;
- Review defined credit product programmes on recommendation of the head of the credit risk management and endorse to the Board of Directors for approval;
- Review credit policy changes initiated by management and endorse to the Board of Directors for approval;
- Ensure compliance with the Bank's credit policies and statutory requirements prescribed by the regulatory/supervisory authorities;
- Approve credit facility requests within limits defined by Access Bank's credit policy guideline (CPG), and within the statutory requirements set by the regulatory/supervisory authorities;
- Review and endorse credits approved by SBU heads;
- Review and recommend to the Board Credit Committee, credits beyond their approval limits;
- Review periodic credit portfolio reports and assess portfolio performance; and

- Approve exceptions/write-offs, waivers and discounts on non-performing credit facilities within specified limit.

Asset & Liability Committee (ALCO)

The purpose of the Group ALCO is to:

- Monitor and control all market, liquidity risk and interest rate risk across the Bank and its subsidiaries in accordance with the risk appetite set by the Board of Directors;
- Review limit, guideline or trigger breaches and agree remedial actions in order to align exposures with agreed appetite;
- Approve Market Risk, Liquidity Risk and Banking Book Interest Rate Risk Policies for each of the banking subsidiaries;
- Review and note the impact of internal and external factors on the net interest margin; and
- Recommend to the Board, policies and guidelines under which the Bank will manage the matters listed below, and in so doing protect the Bank's capital base and reputation;
- Balance sheet growth;
- Deposits, advances and investments;
- Non earning assets;
- Foreign exchange activities and positions;
- Market and liquidity management; and
- Capital management.

Responsibilities and Authorities

- The ultimate responsibility for the proper management of the Bank's assets and liabilities lies with the Board of Directors;
- The Board of Directors will delegate that responsibility to ALCO and ALCO, through this mandate, shall be responsible for the establishment of appropriate policies and limits across the Group;
- ALCO will be responsible for the implementation and monitoring of these Policies and for the development of appropriate procedures and guidelines for adoption at Country ALCOs and specific ratification by the subsidiaries' Board of Directors;
- Country ALCO will be responsible for providing the information input to ALCO to enable it to perform its function;
- Country ALCO will be responsible for proposing amendments to Policies for approval and ratification by ALCO, such amendments having been first approved at the Country ALCO;
- ALCO will report to the Board of Directors through the Board Risk Management Committee detailing strategies, risk positions since the last report received. Any excesses during the period under review must be supported by details quoting the relevant authority for the excess ie Central Bank, ALCO etc;
- ALCO will delegate limits/authorities to line management to enable the smooth functioning of the Bank's day-to-day operations; and
- In the event of a vote, majority will prevail with the ALCO chairman casting the deciding vote in the event of a tie.

Other responsibilities include:

- Prudent management of market risk:
  - To ensure the levels of market risk assumed by the Bank are effectively and prudently managed in accordance with the Market Risk Policy
  - To approve market risk limits and triggers in accordance with the risk appetite set by ALCO and the Bank's Concentration Risk Policy
  - To note compliance with all market risk limits and triggers, and ensure actions to address breaches are promptly executed and reported to authorised bodies
  - To manage all forms of market risk by firstly using the ALCO's mandate to set exposure levels and stop-loss limits, and secondly, if necessary, by hedging any form of market risk
  - To review and approve all policies and procedures relating to market risk management
- Prudent management of liquidity risk:
  - To ensure the levels of tactical and strategic liquidity risk assumed by the Bank are effectively and prudently managed in accordance with the Liquidity Risk Policy;
  - To approve liquidity risk limits and guidelines in accordance with the risk appetite set by ALCO;
  - To note compliance with all liquidity risk guidelines and limits, and ensure actions to address breaches are promptly executed and reported to authorising bodies;
  - To ensure appropriate steps are taken where there is deterioration in liquidity;
  - To approve funding and liquidity management strategies based on forecast balance sheet growth;
  - To ensure the provision of standby funding facilities is kept within prudent levels;
  - To review and approve all policies, procedures and contingency plans relating to liquidity risk management; and
  - To approve liquidity stress scenarios and associated contingency plans.
- Prudent management of interest rate risk:
  - To ensure that the level of interest rate risk assumed by the Bank is effectively and prudently managed;
  - To note compliance with all guidelines and limits, and ensure actions to address breaches are promptly executed and reported to authorising bodies;

- To approve limits and guidelines in accordance with the risk appetite set by ALCO and Market Risk; and
- To approve the subsidiaries' market risk and hedging strategies on a case-by-case basis, or explicitly delegate the approval of such strategies to the Country ALCO.

- Prudent margin management:
  - To review and note the impact of internal and external factors on the Bank's current and forecasted net interest margin;
  - To review and approve funds transfer pricing principles, methodologies and rates; and
  - To review and approve policies and procedures relating to margin management.
- General:
  - To monitor adherence to regulatory requirements; and
  - To delegate to the Group Asset and Liability Management team the responsibility of dealing with trigger, guideline or limit breaches across the Group on a day-to-day basis.

Role of Senior Management

The role of senior management as it relates to risk management is:

(a) Implement risk strategy approved by the Board of Directors;

(b) Develop policies and procedures for identifying, measuring and controlling risks identified in the Bank's risk universe;

(c) Provide appropriate resources to evaluate and control all identified risks;

(d) Review risk reports on a regular and timely basis;

(e) Review periodic risk reports for operational and other risks separate from credit and market risks; and

(f) Provide all reports required by the Board and its committees for the effective performance of risk management oversight functions.

Operational Risk Management Committee (ORMC)

The Committee has the following responsibilities:

- Review and recommend the Operational Risk Management (ORM) framework and any amendments or enhancements to the Board of Directors (BOD) for approval;
- Oversee the implementation of the Operational Risk Management framework across the enterprise;
- Review methodologies and tools for identification, assessment, monitoring and control of operational risks and maintaining the loss event databases;
- Ensure operational risk exposures are within the risk tolerance limits set under the policy;
- Review the reports from the Operational Risk Management (ORM) unit, business lines and their respective risk profiles to concur on areas of highest priority and put in place the related mitigation strategies;
- Ensure adequate resources are allotted at various levels to manage operational risk across the enterprise;
- Ensure adequate communication to the functional departments and emphasise on the importance of operational risk management and assure adequate participation;
- Coordinate an ongoing appropriate awareness and education programme on operational risk in the Bank from top to bottom through the implementation of an enterprise wide operational risk approach; and
- Set guidelines for identifying operational risk in all new products and processes.

Roles of risk champions in the Business Units

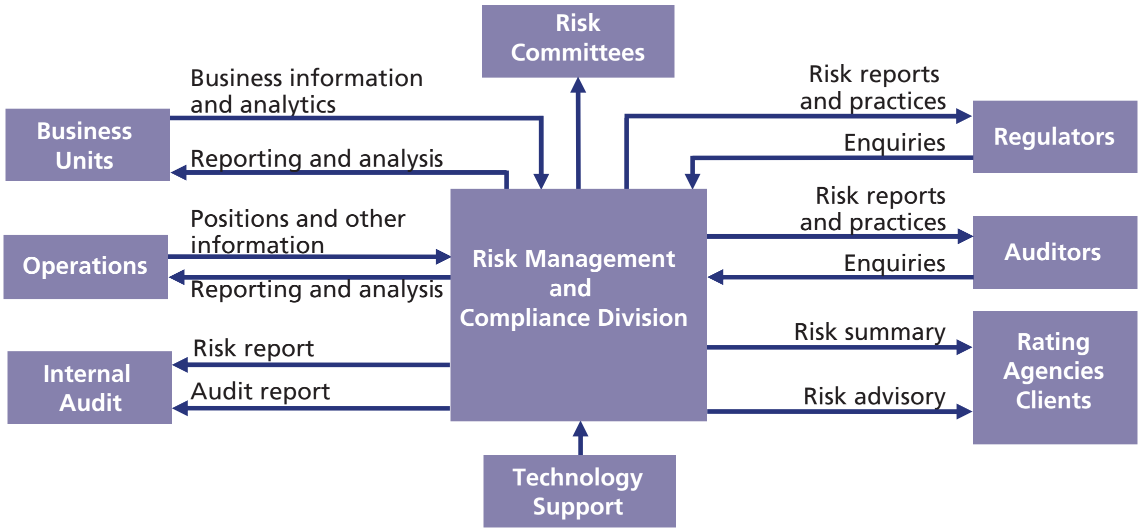
- Coordinate all risk management activities in the Business Unit, including compliance with risk policies and procedures;
- Provide on-the-job training on risk management to other staff;
- Liaise with Risk Management and Compliance Division to obtain new systems, approaches and methods for managing risks and advise staff within the unit appropriately;
- Coordinate the gathering of risk-related information, while ensuring the completeness and accuracy of the risk information gathered, analyse the information and periodically report to the group head and the risk management department in the agreed format;
- In conjunction with other managers in the Business Unit, articulate risk management/optimisation strategies for managing risks, prepare a risk mitigation plan and communicate these to the Risk Management and Compliance Division; and
- Monitor and report on the effectiveness of risk mitigation plans in reducing risk incidence in the Unit.

Risk Management and Compliance Division – relationship with other units

The relationships between Risk Management and Compliance Division (RMCD) and other units are highlighted below:

- RMCD sets policies and defines limits for other units in the Bank;
- RMCD performs bank-wide risk monitoring and reporting;
- Other units provide relevant data to RMCD for risk monitoring and reporting and identify potential risks in their line of business and RMCD provides a framework for managing such risks;
- RMCD and market facing units collaborate in designing new products;
- RMCD and internal audit coordinate activities to provide a holistic view of risks across the Bank;
- RMCD makes recommendations with respect to capital allocation, pricing and reward/sanctions based on risk reports; and

Fig. 5. Risk Management and Compliance Division – Relationship with Other Units



- Information technology support group provides relevant user support to the RMCD function in respect of the various risk management software.

Credit Risk Management

Credit risk arises from the failure of an obligor of the Bank to repay principal or interest at the stipulated time or failure otherwise to perform as agreed. This risk is compounded if the assigned collateral only partly covers the claims made to the borrower, or if its valuation is exposed to frequent changes due to changing market conditions (ie market risk).

The Bank's Risk Management philosophy is that moderate and guarded risk attitude will ensure sustainable growth in shareholder value and reputation. Extension of credit in Access Bank is guided by its Credit Risk and Portfolio Management Plan, which sets out specific rules for risk origination and management of the loan portfolio. The Plan also sets out the roles and responsibilities of different individuals and committees involved in the credit process.

We recognise the fact that our main asset is our loan portfolio. Therefore, we actively safeguard and strive to continually improve the health of our loan portfolio. We scrutinise all applications and weed out potential problem loans during the loan application phase, as well as constantly monitor existing loan portfolio.

The goal of the Bank is to apply sophisticated but realistic credit models and systems to monitor and manage credit risk. Ultimately, these credit models and systems are the foundation for the application of internal rating-based approach to calculation of capital requirements. The development, implementation and application of these models are guided by the Bank's Basel II strategy.

The pricing of each credit granted reflects the level of risks inherent in the credit. Subject to competitive forces, Access Bank implements a consistent pricing model for loans to its different target markets. The client's interest is guarded at all times, and collateral quality is never the sole reason for a positive credit decision.

Provisions for credit losses meet prudential guidelines set forth by the Central Bank of the countries where we operate, both for loans for which specific provisions exist as well as for the portfolio of performing loans. Access Bank's credit process requires rigorous proactive and periodic review of the quality of the loan portfolio. This helps us to identify and remediate credit issues proactively.

The Criticised Assets Committee performs a quarterly review of loans with emerging signs of weakness; the Management Credit Committee and the Board Credit Committee also perform reviews of the quality of our loan portfolio on a quarterly basis. These are in addition to daily reviews performed by our Credit Risk Management department.

Principal Credit Policies

The following are the principal credit policies of the Bank:

- **Extension of Credit:** Every extension of credit must be approved by at least three officers; one of whom must be from Independent Credit Risk Management. The final approving officer must have a credit limit for the total facilities extending to the obligor (or group of related obligors).
- **Special Approvals:** Extension of credit to certain sectors may require unique approvals or prohibited altogether.
- **Credit Analysis Policy:** There are consistent standards of credit analysis across the Access Bank for approval of credit facilities.
- **Annual Review of Facilities:** All extension of credits must be reviewed at least once every 12 months.
- **Industry Limits:** The Access Bank Group utilises industry limits to maintain a diversified portfolio of risk assets.
- **Problem Recognition:** There are uniform and consistent standards for recognition of credit migration and remediation across the Access Bank.

Responsibilities of Business Units and Independent Credit Risk Management

In Access Bank, Business Units and Independent Credit Risk Management have a joint responsibility for the overall accuracy of risk ratings assigned to obligors and facilities. Business Relationship Managers will be responsible for deriving the ORR and FRR using approved methodologies as set out in this policy, however, Independent Credit Risk Management may also perform this function.

Notwithstanding who derives the risk rating, Independent Credit Risk Management is responsible for reviewing and ensuring the correctness of the ORR and FRR assigned to a borrower and facilities. This review includes ensuring the ongoing consistency of the business' Risk Rating Process with Access Bank Risk Rating Policy; ongoing appropriate application of the Risk Rating Process and tools; review of judgmental and qualitative inputs into the Risk Rating Process; ensuring the timeliness and thoroughness of risk rating reviews; and ensuring that the documentation of the Risk Rating Process is complete and current.

Independent Credit Risk Management has the final authority if there is a question about a specific rating.

Credit process

The Bank's credit process starts with portfolio planning and target market identification. Within identified target markets, credits are initiated by relationship managers. The proposed credits are subjected to review and approvals by applicable credit approval authorities. Further to appropriate approvals, loans are disbursed to beneficiaries. On-going management of loans is undertaken by both relationship management teams and our Credit Risk Management Group. The process is applied at the Head Office and in the subsidiaries.

If a preliminary analysis of a loan request by the account manager indicates that it merits further scrutiny, it is then analysed in greater detail by the account manager, with further detailed review by Credit Risk Management. The concurrence of Credit Risk Management must be obtained for any credit extension. If the loan application passes the detailed analysis, it is then submitted to the appropriate approval authority for the sise of facilities.

The standard credit evaluation process is based both on quantitative figures from the Financial Statements and on an array of qualitative factors. Factual information on the borrower is collected as well as pertinent macroeconomic data, such as an outlook for the relevant sector, etc. These subjective factors are assessed by the analyst and all individuals involved in the credit approval process, relying not only on quantitative factors but also on extensive knowledge of the company in question and its management.

Credit Risk Measurement

Risk rating methodology

The credit rating of the counterparty plays a fundamental role in final credit decisions as well as in the terms offered for successful loan applications. Access Bank employs a robust credit rating system based on international best practices (including Basel II recommendations) in the determination of the Obligor and Facility risks and thus allows the bank to maintain its asset quality at a desired level.

In Access Bank, the objective of the Risk Rating Policy is to ensure reliable and consistent Obligor Risk Ratings ('ORRs') and Facility Risk Ratings ('FRRs') throughout the Bank and to provide guidelines for risk rating for retail and non-retail exposures in the bank.

The Risk Rating Policy incorporates credit risk rating models which estimate risk of obligor default and facility risks (covering both recovery as well as exposure risk). These models are currently based on expert judgment for retail and non-retail exposures. Our long-term goal is to adopt the Internal Rating Based ("IRB") approach. The data required to facilitate the IRB approach is being gathered.

All Access Bank businesses that extend credit are subject to the Risk Rating Policy.

Credit risk rating models in Access Bank Plc

The following are the credit risk rating models deployed by Access Bank.

For Retail Exposures:

Obligor Risk Rating (ORR) Models have been developed for:

1. Personal Loans
2. Credit Cards
3. Auto Loans
4. Mortgage Loans

Facility Risk Rating (FRR) Models have been developed for:

1. Loss Given Default (LGD)
2. Exposure at Default (EAD)

For Non-Retail Exposures:

Obligor Risk Rating (ORR) Models have been developed for:

1. Sovereign (Approach to rating Sovereign Exposures using external ratings)
2. Bank and NBFIs
3. Corporate
   – Manufacturing Sector
   – Trading Sector
   – Services Sector
   – Real Estate Sector
4. Small and Medium Enterprises (SME) without Financials

Facility Risk Rating (FRR) Models have been developed for

1. Loss Given Default (LGD)
2. Exposure at Default (EAD)

Risk Rating Process

In Access Bank, all businesses must have a documented and approved Risk Rating Process for deriving risk ratings for all obligors and facilities (including those covered under Credit Programmes). The Risk Rating Process is the end-to-end process for deriving ORRs and FRRs and includes models, guidelines, support adjustments, collateral adjustments, process controls, as well as any other defined processes that a business undertakes in order to arrive at ORRs and FRRs. Risk Rating Process of each business must be in compliance with the Bank's Risk Rating Policy and deviations must be explicitly approved.

Establishing the Risk Rating Process is the joint responsibility of the Business Manager and Independent Credit Risk Manager associated with each business. The process must be documented and must be approved by the Management Credit Committee.

The Risk Rating Process for each business must be reviewed and approved every three years, unless more frequent reviews are specified as a condition of the approvals. Interim material changes to the Risk th, as determined by the Independent Credit Risk Manager for the business, must be re-approved.

Risk Rating Scale and external rating equivalent

Access Bank operates a 12-grade numeric risk rating scale. The risk rating scale runs from 1 to 8. Rating 1 represents the best obligors and facilities and rating 8 represents the worst obligors and facilities. The risk rating scale incorporates sub-grades and full grades, reflective of realistic credit migration patterns.

The risk rating scale and the external rating equivalent is detailed below:

Access Bank Risk Rating	S&P Long term equivalent	Grade
1	AAA	Investment Grade
2+	AA	
2	A	
2-	BBB	
3+	BB+	Standard Grade
3	BB	
3-	BB-	
4	B	Non Investment Grade
5	B-	
6	CCC	
7	C	
8	D	

Credit Risk Control & Mitigation Policy

Authority Limits on Credit

The highest credit approval authority is the Board of Directors, supported by the Board Credit Committee and further by the Management Credit Committee. Individuals are also assigned credit approval authorities in line with the Bank's criteria for such delegation set out in its Credit Risk and Portfolio Managament Plan. The principle of central management of risk and decision authority is maintained by the Bank. The maximum amount of credit that may be approved at each subsidiary is limited, with amounts above such limit being approved at the Head Office.

This structure gives Access Bank the possibility to incorporate much needed local expertise, but at the same time manage risk on a global level. Local Credit Committees of the Bank's subsidiaries are thus able to grant credits, but the sum total of the exposure of the applicant and financially related counterparties is limited, most commonly by the subsidiary's capital. All applications that would lead to exposures exceeding the set limit are referred to the appropriate approval authority in the Head Office.

The credit approval limits of the principal officers of the Group are shown in the table below

Authority	Approval Limit
Board of Directors	Limited to 20% of Shareholders' funds unimpaired by losses
Board Credit Committee	N6,000,000,000
Management Credit Committee	N500,000,000
Group Managing Director	N200,000,000
Group Deputy Managing Director	N150,000,000
Group Executive Director	N75,000,000
Managing Directors of bank subsidiaries	N25,000,000

Collateral Policies

It is the Bank's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure or transferring it to counterparty, at facility level, by a safety net of tangible and realisable securities including approved third-party guarantees/insurance.

In Access Bank, strategies for risk reduction at the transaction level differ from that at the portfolio level. At transaction level, the most common technique used by the bank is the collateralisation of the exposures, by first priority claims or obtaining a third party guarantee. Other techniques include buying a credit derivative to offset credit risk at transaction level. At portfolio level, asset securitisation, credit derivatives etc are used to mitigate risks in the portfolio.

However, primary consideration when approving credits is always the obligor's financial strength and debt-servicing capacity. The guidelines relating to risk mitigant as incorporated in the guidance note of BCBS on "Principles for the Management of Credit Risk" (September 2000, Paragraph 34) are to be taken into consideration while using a credit risk mitigant to control credit risk.

"Banks can utilise transaction structure, collateral and guarantees to help mitigate risks (both identified and inherent) in individual credits but transactions should be entered into primarily on the strength of the borrower's repayment capacity. Collateral cannot be a substitute for a comprehensive assessment of the borrower or the counterparty, nor can it compensate for the insufficient information. It should be recognised that any credit enforcement actions (eg foreclosure proceedings) can eliminate the profit margin on the transaction. In addition, banks need to be mindful that the value of collateral may well be impaired by the same factors that have led to the diminished recoverability of the credit."

The range of collaterals acceptable to the Bank includes:

- Cash/Deposit (domestic and foreign currency) with Bank including certificates of deposit or comparable instruments issued by the Bank;
- Certificates of Deposit from other banks;
- Commodities;
- Debt securities issued by sovereigns and public-sector enterprises;
- Debt securities issued by banks and corporations;
- Equities – Stocks/Share Certificates of quoted blue chip companies;
- Mortgage on Landed Property;
- Asset-backed securities;
- Charge on assets (Fixed and/or Floating) – premises/inventory/receivables/merchandise/plant/machinery etc;
- Negative Pledges;
- Lien on Asset being financed;
- Stock Hypothecation;
- Shipping Documents (for imports);
- Bankers Acceptance;
- Life Assurance Policies.

Master Netting Arrangements

It is the Bank's policy that all credit exposures are adequately collateralised. Notwithstanding, our account opening documentation allows the Bank to net off customers' deposits against their exposure to the Bank. Generally, transactions are allowed to run on a gross basis, however, in cases of unfavourable credit migration, the Bank may elect to invoke the netting agreement.

Credit Related Commitments

It is the Bank's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure.

Provisioning policy

Provisions for credit losses meet prudential guidelines set forth by the Central Bank of the countries where the Group operates both for loans for which specific provisions exist as well as for the portfolio of performing loans.

(g) (i) Risk Assets Analysis by Performance:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Performing	380,175,823	249,674,343	357,114,093	240,495,101
Watchlist	47,441,364	83,107,177	47,441,364	83,107,177
Non-performing	427,617,187	332,781,520	404,555,457	323,602,278
Substandard	11,608,245	55,905,297	8,217,681	41,817,821
Doubtful	8,113,821	14,458,001	6,002,447	13,785,969
Lost	17,951,073	10,308,140	17,008,026	6,160,373
	37,673,139	80,671,438	31,228,154	61,764,163
	465,290,326	413,452,958	435,783,611	385,366,441

(h) (i) Summary of performing but past due loans:

Group

As at 31 December 2010

	Retail	Corporate	SME	Financial Institution	Total
	N'000	N'000	N'000	N'000	N'000
Not yet due	4,334,410	308,210,551	–	12,868,766	325,413,727
Past due up to 30 days	3,136,538	48,336,826	–	7,027,821	58,501,185
Past due 31–60 days	1,108,125	30,317,378	–	773,072	32,198,575
Past due 61–90 days	458,185	18,707,531	–	1,186,626	20,352,342
	9,037,258	405,572,286	–	21,856,285	436,465,829

Group

As at 31 December 2009

	Retail	Corporate	SME	Financial Institution	Total
	N'000	N'000	N'000	N'000	N'000
Not yet due	40,566,846	194,239,258	391,833	13,554,464	248,752,401
Past due up to 30 days	11,699,647	55,001,568	10,139	4,544,964	71,256,318
Past due 31–60 days	1,495,919	8,513,869	37,301	31,570	10,078,659
Past due 61–90 days	508,008	2,099,017	84,922	2,194	2,694,141
	54,270,420	259,853,712	524,195	18,133,192	332,781,519

Bank

As at 31 December 2010

	Retail	Corporate	Financial Institution	Total
	N'000	N'000	N'000	N'000
Not yet due	4,334,410	308,210,551	12,868,766	325,413,727
Past due up to 30 days	2,678,964	45,012,977	3,652,551	51,344,492
Past due 31–60 days	1,042,895	30,019,478	282,441	31,344,814
Past due 61–90 days	425,106	18,071,536	543,133	19,039,775
	8,481,375	401,314,542	17,346,891	427,142,808

Bank

As at 31 December 2009

	Retail	Corporate	Financial Institution	Total
	N'000	N'000	N'000	N'000
Not yet due	37,573,956	189,691,110	13,229,846	240,494,912
Past due up to 30 days	11,656,121	54,972,007	4,538,049	71,166,177
Past due 31–60 days	918,234	8,480,169	31,570	9,429,973
Past due 61–90 days	410,005	2,099,017	2,194	2,511,216
	50,558,316	255,242,303	17,801,659	323,602,278

(ii) Summary of non-performing loans per sector

Sector

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Agriculture	307,561	176,486	6,505	176,486
Capital Market	9,974,431	–	8,493,597	–
Construction	5,371,206	151,614	3,824,542	151,614
Education	48,453	42,496	44,000	42,496
Finance and Insurance	1,154,789	10,137,813	503,764	10,137,813
General	1,456,826	93,775	767,771	93,775
General Commerce	6,860,752	5,303,932	6,032,352	5,303,932
Information and Communication	2,593,452	17,662,170	2,450,523	17,662,170
Manufacturing	3,102,428	22,530,145	2,937,596	22,530,145
Oil and Gas	5,376,278	5,494,472	4,989,703	5,494,472
Real Estate Activities	859,100	100	857,892	100
Transportation and Storage	522,376	171,160	299,117	171,160
Others	45,485	18,907,275	20,791	–
	37,673,139	80,671,438	31,228,154	61,764,163

Summary of Non Performing Loans by Geography

Geography

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Abuja & North West	101,145	–	101,145	–
North Central	712,780	1,089,998	712,780	1,089,998
North East	18,244	–	18,244	–
South East	3,780,923	860,902	3,780,923	860,902
South South	419,160	431,458	419,160	431,458
South West	27,671,651	59,381,806	26,195,902	59,381,805
Rest of Africa	4,969,236	18,907,274	–	–
Europe	–	–	–	–
	37,673,139	80,671,438	31,228,154	61,764,163

(i) (i) Summary of Risk Exposure by Geographical Sectors

Group

As at 31 December 2010

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Geography					
Abuja & North West	–	1,444,122	–	3,000,000	4,444,122
North Central	205,706	20,743,775	547,483	–	21,496,964
North East	–	3,318,774	–	–	3,318,774
South East	122,233	35,267,472	535,060	–	35,924,765
South South	148,980	9,646,412	18,179	–	9,813,571
South West	346,043	388,461,791	1,808,192	–	390,616,026
Rest of Africa	9,201,758	22,046,730	175,479	–	31,423,967
Europe	89,482,429	6,597,888	–	2,030,870	98,111,187
Others	3,663,962	449,140	–	–	4,113,102
	103,171,111	487,976,104	3,084,393	5,030,870	599,262,478

Group

As at 31 December 2009

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Geography					
Abuja & North West	–	1,267,755	930	62,771,536	64,040,221
North Central	–	13,841,868	951,599	–	14,793,467
North East	–	679,112	1,495	–	680,607
South East	–	25,005,007	96,865	–	25,101,872
South South	–	5,989,451	49,437	–	6,038,888
South West	10,324,115	369,801,727	2,673,694	–	382,799,536
Rest of Africa	2,746,537	–	475,953	382,026	3,604,516
Europe	62,121,758	–	–	–	62,121,758
Others	17,984,697	–	–	–	17,984,697
	93,177,107	416,584,920	4,249,973	63,153,562	577,165,562

Bank

As at 31 December 2010

	Due from Banks	**Loans and on-lending facilities**	**Advances under finance lease**	**Debt Instruments**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Geography					
Abuja & North West	**–**	**1,444,122**	**–**	**3,000,000**	**4,444,122**
North Central	**205,706**	**19,970,498**	**547,483**	**–**	**20,723,687**
North East	**–**	**3,318,774**	**–**	**–**	**3,318,774**
South East	**122,233**	**35,267,472**	**535,061**	**–**	**35,924,766**
South South	**148,980**	**9,646,413**	**18,179**	**–**	**9,813,572**
South West	**100,356**	**388,822,110**	**1,640,369**	**–**	**390,562,835**
Rest of Africa	**1,966,466**	**–**	**–**	**–**	**1,966,466**
Europe	**69,633,739**	**–**	**–**	**–**	**69,633,739**
Others	**–**	**–**	**–**	**–**	**–**
	72,177,480	**458,469,389**	**2,741,092**	**3,000,000**	**536,387,961**

Bank

As at 31 December 2009

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Geography					
Abuja & North West	–	1,267,755	930	62,771,536	64,040,221
North Central	–	13,841,868	951,599	–	14,793,466
North East	–	679,112	1,495	–	680,607
South East	–	25,005,007	96,865	–	25,101,872
South South	–	5,989,451	49,437	–	6,038,888
South West	10,241,863	341,715,211	2,673,694	–	354,630,769
Rest of Africa	–	–	–	–	–
Europe	65,949,842	–	–	–	65,949,842
Others	–	–	–	–	–
	76,191,705	388,498,404	3,774,020	62,771,536	531,235,665

(ii) Summary of Risk Exposure by Industry Sectors

Group

As at 31 December 2010

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Sector					
Agriculture	–	3,962,299	–	–	3,962,299
Arts, entertainment and recreation	–	270,000	–	–	270,000
Capital Market	–	19,287,516	98	–	19,287,614
Construction	–	23,484,293	11,123	–	23,495,416
Education	–	239,858	11,507	–	251,365
Finance and insurance	103,182,124	19,856,459	42,136	4,030,870	127,111,589
General	–	18,433,552	172,089	–	18,605,641
General commerce	–	79,897,870	806,697	–	80,704,567
Government	–	13,395,708	509,166	–	13,904,874
Information and communication	–	69,450,897	501,509	–	69,952,406
Manufacturing	–	87,303,950	589,372	1,000,000	88,893,322
Oil and Gas	–	107,303,938	7,317	–	107,311,255
Power and Energy	–	538,571	–	–	538,571
Professional, technical and scientific activities	–	443,184	–	–	443,184
Real estate activities	–	33,026,429	2,527	–	33,028,956
Transportation and storage	–	8,579,855	315,408	–	8,895,263
Others	–	2,501,725	115,444	–	2,617,169
	103,182,124	487,976,104	3,084,393	5,030,870	599,273,491

Group

As at 31 December 2009

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Sector					
Agriculture	–	1,152,138	3,609	–	1,155,747
Capital Market	–	13,646,922	–	–	13,646,922
Communication	–	79,993,353	744,235	–	80,737,588
Consumer Credit	–	11,943,353	326,502	–	12,269,855
Finance and Insurance	93,177,107	21,759,152	88,609	–	115,024,868
General Commerce	–	72,670,348	918,859	–	73,589,207
Government	–	11,078,609	7,628	63,153,562	74,239,799
Manufacturing	–	46,821,316	1,535,804	–	48,357,120
Oil and Gas	–	78,786,642	7,993	–	78,794,635
Others	–	37,653,680	501,253	–	38,154,933
Real Estate and Construction	–	37,944,479	28,460	–	37,972,939
Transportation	–	3,134,928	87,021	–	3,221,949
	93,177,107	416,584,920	4,249,973	63,153,562	577,165,562

Bank

As at 31 December 2010

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Sector					
Agriculture	–	3,547,702	–	–	3,547,702
Arts, entertainment and recreation	–	270,000	–	–	270,000
Capital Market	–	19,287,516	98	–	19,287,614
Construction	–	19,019,811	11,123	–	19,030,934
Education	–	239,561	11,507	–	251,068
Finance and insurance	72,177,480	11,201,204	42,136	2,000,000	85,420,820
General	–	12,995,228	172,089	–	13,167,317

General commerce	**–**	**77,229,508**	**523,879**	**–**	**77,753,387**
Government	**–**	**17,791,498**	**509,166**	**18,300,664**	
Information and communication	**–**	**68,304,866**	**501,509**	**–**	**68,806,375**
Manufacturing	**–**	**84,553,478**	**589,372**	**1,000,000**	**86,142,850**
Oil and Gas	**–**	**106,085,244**	**7,317**	**–**	**106,092,561**
Power and Energy	**–**	**391,361**	**–**	**–**	**391,361**
Professional, technical and scientific activities	**–**	**443,184**	**–**	**–**	**443,184**
Real estate activities	**–**	**30,320,052**	**2,527**	**–**	**30,322,579**
Transportation and storage	**–**	**6,603,440**	**254,925**	**–**	**6,858,365**
Others	**–**	**185,736**	**115,444**	**–**	**–**
	72,177,480	**458,469,389**	**2,741,092**	**3,000,000**	**536,086,781**

Bank

As at 31 December 2009

	Due from Banks	Loans and on-lending facilities	Advances under finance lease	Debt Instruments	Total
	N'000	N'000	N'000	N'000	N'000
Sector					
Agriculture	–	1,152,138	3,609	–	1,155,747
Capital Market	–	13,646,922	–	–	13,646,922
Communication	–	79,993,353	744,235	–	80,737,588
Consumer Credit	–	11,943,353	326,502	–	12,269,855
Finance and Insurance	76,191,705	21,759,152	88,609	–	98,039,466
General Commerce	–	72,670,348	918,859	–	73,589,207
Government	–	11,078,609	7,628	62,771,536	73,857,773
Manufacturing	–	46,821,316	1,535,804	–	48,357,120
Oil and Gas	–	78,786,640	7,993	–	78,794,633
Others	–	9,567,166	25,299	–	9,592,465
Real Estate and Construction	–	37,944,479	28,460	–	37,972,939
Transportation	–	3,134,928	87,022	–	3,221,950
	76,191,705	388,498,404	3,774,020	62,771,536	531,235,665

(j) (i) Summary of portfolio and Risk Rating of customers and counterparties with Risk Exposure

Access Bank Rating

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Best Quality Obligor	**25,180,973**	32,695,251	**22,293,493**	32,695,251
Good Quality Obligor	**53,456,529**	13,948,005	**53,456,529**	13,948,005
Acceptable Quality Obligor	**321,018,078**	200,757,829	**306,790,941**	200,757,829
Watchlist	**47,441,364**	83,107,177	**47,441,364**	83,107,177
Substandard	**11,608,245**	55,905,298	**8,217,681**	41,817,821
Doubtful	**8,113,821**	14,458,001	**6,002,447**	13,785,969
Lost	**17,951,073**	10,308,140	**17,008,026**	6,160,372
Unrated	**6,290,414**	9,655,192	**–**	–
	491,060,497	420,834,893	**461,210,481**	392,272,424

External Risk Rating

Description

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Investment Grade	**78,637,502**	**46,643,255**	**75,750,022**	46,643,255
Standard Grade	**321,018,078**	200,757,829	**306,790,941**	200,757,829
Non Investment Grade	**85,114,503**	144,871,340	**78,669,518**	144,871,340
Unrated	**6,290,414**	28,562,469	**–**	–
	491,060,497	420,834,893	**461,210,481**	392,272,424

Market Risk Management

Definition

Access Bank's ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads. Market risk mainly arises from trading activities and equity investments. Access Bank is also exposed to market risk through non-traded interest rate risk in its banking book.

Market Risk Policy, Management and Control

The Bank's ability to effectively identify, assess, monitor and manage market risks involved in its activities is critical to its soundness and profitability. Its strategy is to invest its own capital on a limited and carefully selected basis in transactions, underwritings and other activities that involve market risk. The Bank is exposed to market risk through adverse movements in equity prices, foreign exchange and interest rates.

Market risk is managed in line with principal risks and control policy requirements approved by the Board Risk Committee. The Board approves the risk appetite for trading and non-trading activities and risk limits are set within the context of the approved market risk appetite. Market Risk monitors exposures against these limits.

The Bank's GMD/CEO is responsible for approving specific position limits, which are used for positions, which are sometimes specific medium-term investment cases and other times strategic (or have the potential of becoming strategic) in the medium term.

Each trading unit within the Bank adheres to the general rules set out by the Board of Directors. Moreover, each trading unit has its own set of working procedures and rules that further specify their targets, limits and scope in trading.

The position limits, or any changes to them, are proposed by the Bank's head of trading and then accepted by the Bank's Chief Risk Officer and reviewed by the Bank's CEO, who has a say in limit decisions. The size of each position limit is based on, among other factors, underlying liquidity, the Bank's risk appetite, as well as legal limitations on individual positions imposed by authorities in Nigeria.

All market risks are reported to the Risk Committee daily (through a dashboard) and quarterly with recommendations made concerning the risk profile including risk appetite, limits and utilisation. The head of each business, assisted by the business risk management team, is accountable for all market risks associated with its activities, which are reported to business risk governance and control committees. Oversight and support is provided to the business by the central market risk team.

Access Bank has a dedicated market risk team with the sole responsibility of implementing the market risk control framework. Daily market risk and stress testing reports are produced for trading portfolios covering all risk categories including interest rate, equity and foreign exchange credit spread risk.

Risk of losses arising from future potential adverse movements in market rates, prices and volatilities are measured using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historic market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome. To assess their predictive power, VaR models are back tested against actual results.

Sensitivity measures are used in addition to VaR as risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields, whereas foreign exchange, commodity and equity sensitivities are measured in terms of the underlying values or amounts involved.

Traded market risk measurement and control

The models employed in evaluating risks include position-based models, volatility based models (based on the volatility of market variables and their related covariance) and scenario-based models (the frequency of a severe loss estimated by repeating random scenarios with certain statistical properties that have, in most cases, been estimated from historical data).

The measurement techniques used to measure and control traded market risk include daily value at risk, tail risk and stress testing.

Daily value at risk (DVaR)

DVaR is an estimate of the potential loss that might arise from unfavourable market movements if current positions were to be held unchanged for one business day, measured to a confidence level of 99%. This is to guard against incidence of significant market movements, consequently improving management, transparency and control of the market risk profile. Daily losses exceeding the DVaR figure are likely to occur, on average, five times in every 100 business days.

Access Bank uses an internal DVaR model based on the historical simulation method. Two years of unweighted historical price and rate data is applied and updated daily. This internal model is also used for measuring value at risk over both a one-day and 10-day holding period at a 99% confidence level for regulatory backtesting and regulatory capital calculation purposes respectively. This model covers general market (position) risk across all approved interest rate, foreign exchange, commodity, equity and traded credit products.

There are a number of considerations that should be taken into account when reviewing DVaR numbers. These are as follows:

- Historical simulation assumes that the past is a good representation of the future. This may not always be the case;
- The assumed time horizon will not fully capture the market risk of positions that cannot be closed out or hedged within this time horizon;

- DVaR does not indicate the potential loss beyond the selected percentile;
- Intra-day risk is not captured;
- Prudent valuation practices are used in the DVaR calculation when there is difficulty obtaining rate/price information.

To complement DVaR, tail risk metrics, stress testing and other sensitivity measures are used.

Backtesting

DVaR is an important market risk measurement and control tool and consequently the performance of the model is regularly assessed for continued suitability. The main approach employed is a technique known as backtesting, which counts the number of days when daily trading losses exceed the corresponding DVaR estimate.

The regulatory standard for backtesting is to measure daily losses against DVaR assuming a one-day holding period and a 99% level of confidence. The regulatory green zone of four or less exceptions over a 12-month period is consistent with a good working DVaR model. Backtesting reports are produced regularly.

Tail risk metrics

Tail risk metrics highlight the risk beyond the percentile selected for DVaR. The two tail risk metrics chosen for daily focus, using the current portfolio and two years of price and rate history, are:

- The average of the worst three hypothetical losses from the historical simulation; and
- Expected shortfall (also referred to as expected tail loss), which is the average of all hypothetical losses from the historical simulation beyond the 95th DVaR percentile.

Stress testing

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. Market Risk complements the VaR measurement by regular stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios.

Stress testing provides an indication of the potential size of losses that could arise in extreme conditions. It helps to identify risk concentrations across business lines and assist senior management in capital planning decisions.

A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs. The Bank performs two main types of stress/ scenario testing. Firstly, risk factor stress testing, where extended historical stress moves are applied to each of the main risk categories, which include interest rate, equity, foreign exchange, commodity and credit spread risk. Secondly, the trading book is subjected to multi-factor scenarios that simulate past periods of significant market disturbance and hypothetical extreme yet plausible events.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. Regular stress test scenarios are applied to interest rates, credit spreads, exchange rates, commodity prices and equity prices. Ad hoc scenarios are also prepared reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

Risk limits

Risk limits are set and reviewed at least annually to control Access Bank's trading activities in line with the defined risk appetite of the Bank. Criteria for setting risk limits include relevant market analysis, market liquidity and business strategy. Trading risk limits are set at an aggregate, risk category and lower levels and are expressed in terms of DVaR. This is further supported by a comprehensive set of non-DVaR limits, including foreign exchange position limits, interest rate delta limits and option based limits. Appropriate performance triggers are also used as part of the risk management process.

Interest rate risk

Interest rate risk is the exposure of the Bank's financial condition to adverse movements in interest rates, yield curves and credit spreads. The Bank is exposed to interest rate risk through the interest bearing assets and liabilities in its trading and banking books.

Access Bank's objective for management of interest rate risk in the banking book is to ensure a higher degree of interest rate mismatch margin stability and lower interest rate risk over an interest rate cycle. This is achieved by hedging material exposures with the external market.

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or in differing amounts. In the case of floating rated assets and liabilities, the Bank is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices, such as the savings rate and 90-day NBOR and different types of interest. Non-traded interest rate risk arises in the banking book from the provision of retail and wholesale (non-traded) banking products and services, as well as from certain structural exposures within the Bank balance sheet, mainly due to re-pricing timing differences between assets, liabilities and equity. These risks impact both the earnings and the economic value of the Bank. Overall non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Bank's non-trading activities.

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios is the open position limits using the Earnings at Risk approach. Specified limits have been set for open positions limits, which are the expected maximum exposure the Group is to be exposed to. Risk management activities are aimed at optimising net interest income, given market interest rate levels consistent with the Bank's business strategies.

Interest-rate risk is monitored centrally with a Gap report. A limits framework is in place to ensure that retained risk remains within approved appetite. Interest rate risk also arises in each of the Africa subsidiary treasuries in the course of balance sheet management and facilitating customer activity. The risk is managed by local treasury functions, subject to modest risk limits and other controls.

Foreign exchange risk

Foreign Exchange risk is the exposure of the Bank's financial condition to adverse movements in exchange rates. The Bank is exposed to foreign exchange risk primarily through its assets, managing customers' deposits and through acting as an intermediary in foreign exchange transactions between central and commercial banks.

The Bank's foreign exchange risk is considered at a Bank level since an effective overview of such risk is a critical element of the Bank's asset/liability risk management. The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels.

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum. The assets and liabilities include current positions, forward positions, commitments, and the market value of derivatives in foreign currency.

Our net total currency balance is always within specified regulatory limits which is currently 1% of shareholders' funds.

(k) (i) Group's Exposure to Foreign Exchange Risk

Analysis detailing concentration of currency risk for On- and Off-balance sheet financial instruments as at 31 December 2010 is as follows:

Group

As at 31 December 2010

	Naira	Dollar	GBP	Euro	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Assets						
Cash and balances with Central Bank of Nigeria	16,318,885	7,351,621	367,582	346,590	1,010,616	25,395,293
Treasury bills	11,618,000	–	3,536,564	–	20,703,247	35,857,812
Due from other banks	44,480,008	1,075,444	52,628,509	4,920,605	77,558	103,182,124
Loans and advances to customers	353,850,536	73,406,337	807,104	145,357	1,572,986	429,782,319
On-lending facilities	21,221,329	1,464,449	–	–	–	22,685,778
Advances under finance lease	2,465,110	649,282	–	–	–	3,084,393
Investment securities	116,911,504	–	2,030,870	–	723,586	119,665,960
Investment properties	12,943,078	–	–	–	_	12,943,078
Investment in associates	–	–	–	–	–	–
Other assets	11,992,788	8,146,513	1,714,326	1,352,499	81,008	23,287,133
Deferred tax asset	–	–	209,740		347,309	557,050
Property and equipment	19,161,511	–	242,534	–	5,986,031	25,390,076
Equipment on lease	1,561,045	–	–	–	–	1,561,045
Goodwill	1,431,711					1,431,711
Total Assets (A)	**613,925,505**	**92,093,645**	**61,537,230**	**6,765,051**	**30,502,342**	**804,823,772**
Customer deposits	372,868,009	104,184,280	6,624,146	2,243,798	1,005,612	486,925,846
Due to other banks	14,558,599	43,584,541	2,584,271	1,784,634	1,527,308	64,039,353
On lending facilities	21,221,329	1,464,449	–	–		22,685,778
Debt securities in issue			–		–	–
Current income tax	3,038,888	–	985,472	–	453,597	3,492,485
Other liabilities	47,712,967	–	–	3,106,116	85,353	51,889,908
Deferred tax liability	361,851	–		–	58,094	419,945
Total Liabilities (B)	**459,761,643**	**149,233,270**	**10,193,890**	**7,134,548**	**3,129,964**	**629,453,315**
Net on-balance sheet financial position (A)-(B)	154,163,862	(57,139,625)	51,343,340	(369,498)	27,372,378	175,370,457
Off-Balance Sheet	**73,567,277**	**155,339,210**	**1,250,367**	**7,976,358**	**748,209**	**238,881,422**

As at 31 December 2009

	Naira	Dollar	GBP	Euro	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Total Financial Assets (A)	538,994,333	104,726,791	11,254,624	4,710,481	34,097,709	693,783,938
Total Financial Liabilities (B)	396,824,554	110,276,299	8,993,118	8,993,055	27,350,864	525,437,890
Net on-balance sheet financial position (A)-(B)	169,169,779	(5,549,508)	2,261,506	(4,282,547)	6,746,845	168,346,048
Off-Balance Sheet	44,081,663	81,508,308	592,448	9,166,292	2,706,800	138,055,511

Bank

As at 31 December 2010

	Naira	**Dollar**	**GBP**	**Euro**	**Others**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets						
Cash and balances with Central Bank of Nigeria	**16,683,207**	**493,785**	**339,024**	**132,376**	–	**17,648,392**
Treasury bills	**11,618,000**	–	–	–	–	**11,618,000**
Due from other banks	**12,603,948**	**54,393,780**	**2,622,196**	**2,500,135**	**57,421**	**72,177,480**
Loans and advances to customers	**339,580,034**	**61,895,086**	**4,738**	**126,113**	**1,572,986**	**403,178,957**
On-lending facilities	**21,221,329**	**1,464,449**	–	–	–	**22,685,778**
Advances under finance lease	**2,259,782**	**481,310**	–	–	–	**2,741,092**
Investment securities	**116,811,620**	–	–	–	–	**116,811,620**
Investment in subsidiaries	**24,261,123**	–	–	–	–	**24,261,123**
Investment properties	**12,943**	–	–	–	–	**12,943,078**
Investment in associates	–	–	–	–	–	–
Other assets	**13,374,350**	**7,155,033**	**327,817**	**1,234,301**	**81,003**	**22,172,504**
Deferred tax asset	–	–	–	–	–	–
Property and equipment	**19,161,511**	–	–	–	–	**19,161,511**
Equipment on lease	**1,561,045**	–	–	–	–	**1,561,045**
Goodwill	–	–	–	–	–	–
Total Assets (A)	**592,079,027**	**125,883,443**	**3,293,775**	**3,992,925**	**1,711,410**	**726,960,580**
Customer deposits	**351,761,124**	**84,125,954**	**3,277,452**	**1,377,403**	**182**	**440,542,115**
Due to other banks	**12,986,517**	**20,106,856**	**2,622,196**	**2,500,135**	**57,421**	**72,177,480**
On-lending facilities	**21,221,329**	**1,464,449**	**16,861**	**105,395**	**1,527,310**	**34,742,938**
Debt securities in issue	**2,259,782**	**481,310**	–	–	–	**2,741,092**
Current income tax	**2,959,976**	–	–	–	–	**116,811,620**
Other liabilities	**40,023,762**	–	**752,743**	**2,307,904**	**85,353**	**43,169,762**
Deferred tax liability	**355,197**	–	–	–	–	**355,192**
Total Liabilities (B)	**429,307,905**	**105,697,259**	**4,047,055**	**3,790,701**	**1,612,845**	**544,455,766**
Net on-balance sheet financial position (A)-(B)	**162,771,122**	**20,186,184**	**(753,280)**	**202,223**	**98,565**	**182,504,814**
Off-Balance Sheet	**63,386,134**	**123,320,551**	**679,198**	**6,413,354**	**652,693**	**194,457,931**

As at 31 December 2009

	Naira	Dollar	GBP	Euro	Others	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Total Financial Assets (A)	522,711,134	115,040,073	9,179,606	610,223	33,683	647,574,719
Total Financial Liabilities (B)	351,776,950	112,382,908	4,827,007	5,436,671	160	474,423,696
Net on-balance sheet financial position (A)-(B)	170,934,184	2,657,165	4,352,599	(4,826,448)	33,523	173,151,023
Off-Balance Sheet	44,081,663	72,529,536	505,316	8,221,803	298,593	125,636,911

Liquidity Risk

Liquidity risk arises when the Bank is unable to meet expected or unexpected current or future cash flows and collateral needs without affecting its daily operations or its financial condition. The Bank is managed to preserve a high degree of liquidity so that it can meet the requirements of its customers at all times, including periods of financial stress.

The Bank has developed a liquidity management framework based on a statistical model underpinned by conservative assumptions with regard to cash inflows and the liquidity of liabilities. In addition, liquidity stress tests assuming extreme withdrawal scenarios are performed. These stress tests specify additional liquidity requirements to be met by holdings of liquid assets.

The Bank's liquidity has consistently been materially above the minimum liquidity ratio and the requirements of its stress tests. Global funding and liquidity risk management activities are centralised within Corporate Treasury. We believe that a centralised approach to funding and liquidity risk management enhances our ability to monitor liquidity requirements, maximises access to funding sources, minimises borrowing costs and facilitates timely responses to liquidity events. We analyse and monitor our liquidity risk, maintain excess liquidity and access diverse funding sources including our stable deposit base.

The Board approves the Bank's liquidity policy and contingency funding plan, including establishing liquidity risk tolerance levels. The ALCO, in conjunction with the Board and its Committees, monitors our liquidity position and reviews the impact of strategic decisions on our liquidity. Liquidity positions are measured by calculating the Bank's net liquidity gap and by comparing selected ratios with targets as specified in the liquidity risk management manual.

Quantifications

Access Bank has adopted both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Bank adopted the following approaches:

(a) Funding and Liquidity plan;

(b) Gap Analysis; and

(c) Ratio Analysis.

The Funding and Liquidity plan defines the Bank's sources and channels of utilisation of funds. The funding liquidity risk limit is quantified by calculating liquidity ratios and measuring/monitoring the cumulative gap between our assets and liabilities. The Liquidity Gap Analysis quantifies the daily and cumulative gap in a business as usual environment. The gap for any given tenor bucket represents the borrowings from, or placements to, the market required to replace maturing liabilities or assets. The Bank monitors the cumulative gap as a + or –20% of the total risk assets and the gap as a + or –20% of total deposit liabilities.

Limit Management and Monitoring

Active management of liquidity through the framework of limits and control presented above is possible only with proper monitoring capabilities. The monitoring process focuses on funding portfolios, the forward balance sheet and general indicators; where relevant information and data are compared against limits that have been established. The Bank's Treasury is responsible for maintaining sufficient liquidity by maintaining sufficient high ratio of liquid assets and available funding for near-term liabilities. The secured liquidity measure is calculated and monitored by risk management. Increased withdrawals of short-term funds are monitored through measurements of the deposit base in the Bank. Liquidity risk is reported to the Board of Directors on a quarterly basis.

Contingency Funding Plan

Access Bank has a contingency funding plan which incorporates early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognises that unexpected events, economic or market conditions, earnings problems or situations beyond its control could cause either a short or long-term liquidity crisis. It reviews its contingency funding plan in the light of evolving market conditions and stress test results.

To monitor liquidity and funding, Treasury prepares a liquidity worksheet twice a month that project sources and uses of funds. The worksheet incorporates the impact of moderate risk and crisis situations. The worksheet is an integral component of the contingency funding plan. Although it is unlikely that a funding crisis of any significant degree could materialise, we consider it important to evaluate this risk and formulate contingency plans should one occur.

The contingency funding plan covers: the available sources of contingent funding to supplement cash flow shortages; the lead times to obtain such funding; the roles and responsibilities of those involved in the contingency plans; and the communication and escalation requirements when early warning indicators signal deteriorating market conditions. Both short term and long term funding crises are addressed in the contingency funding plan.

(l) (i) Maturity Profile of Assets and Liabilities: On-balance Sheet

The maturity profile of the assets and liabilities on the Group's balance sheet is as follows:

As at 31 December 2010	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets								
Cash and balances with Central Bank of Nigeria	16,235,110	8,989,421	170,762	–	–	–	25,395,293	25,395,293
Treasury bills	13,313,179	9,813,139	510,392	5,762,724	6,458,378	–	35,857,812	35,857,812
Due from other banks	88,188,260	8,763,335	249,243	549,063	5,432,224	–	103,182,124	103,182,124
Loans and advances to customers	112,764,852	84,720,425	50,337,019	36,127,911	150,916,596	30,423,523	465,290,326	429,782,319
On-lending facilities	–	970,938	87,672	150,177	5,274,762	16,202,229	22,685,778	22,685,778
Advances under finance lease	14,744	38,282	21,568	112,587	2,897,212	–	3,084,393	3,084,393
Investment securities	1,151,851	708,021	2,690,920	1,322,850	875,931	112,916,388	119,665,960	119,665,960
Investment property	–	–	–	–	12,943,078	–	12,943,078	12,943,078
Investment in associates	–	–	–	–	–	–	–	–
Other assets	6,966,998	5,590,881	1,061,868	9,961,505	539,776	–	24,121,028	23,287,133
Property and Equipment	4,093,029	–	209,740	–	347,309	–	557,050	557,050
Equipment on lease	–	–	–	–	1,561,045	–	1,561,045	1,561,045
Goodwill	–	–	–	–	1,431,711	–	1,431,711	1,431,711
Total Assets (expected dates) – (A)	**242,728,023**	**119,594,443**	**55,339,184**	**54,018,121**	**200,652,902**	**168,883,002**	**841,165,674**	**804,823,772**
Liabilities								
Customer deposits	361,949,520	94,250,745	14,273,365	14,730,097	1,710,866	11,253	486,925,846	486,925,846
Due to other banks	13,429,601	33,002,082	5,679,645	–	–	11,928,205	64,039,353	64,039,353
On-lending facilities	–	970,938	87,672	150,177	5,274,762	16,202,229	22,685,778	22,685,778
Debt securities in issue	–	–	–	–	–	–	–	–
Current income tax	–	2,238,159	–	1,254,326	–	–	3,492,485	3,492,485
Other liabilities	3,906,323	9,878,143	3,358,893	12,579,955	22,166,593	–	51,889,908	51,889,908
Deferred tax liability	–	–	–	419,945	–		419,945	419,945
Total Liabilities (expected dates) – (B)	**379,285,444**	**140,340,067**	**23,399,395**	**29,134,500**	**29,152,222**	**28,141,687**	**629,453,315**	**629,453,315**
Gap	**(136,557,422)**	**(20,745,625)**	**31,939,788**	**24,883,621**	**171,500,681**	**140,691,316**	**211,712,359**	**175,370,457**

(l) (ii) Maturity Profile of Assets and Liabiities: On-balance Sheet

The maturity profile of the assets and liabilities on the Group's balance sheet is as follows:

As at 31 December 2009

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets								
Cash and balances with Central Bank of Nigeria	61,041,748	664,315	2,886,638	–	–	–	64,592,701	64,592,701
Treasury bills	10,926,097	6,262,968	16,979	1,500	429	–	17,207,973	17,207,973
Due from other banks	33,153,640	13,824,105	46,199,274	88	–	–	93,177,107	93,177,107
Loans and advances to customers	93,157,987	66,737,243	31,400,847	61,907,316	149,052,215	11,197,349	413,452,957	383,778,168
On-lending facilities	–	4,496	49,541	359,712	2,718,214	–	3,131,963	3,131,963
Advances under finance lease	11,301	57,218	65,271	464,858	3,651,325	–	4,249,973	4,249,973
Investment securities	31,001,439	13,489,580	2,282,889	4,187,525	5,810,564	18,285,384	75,057,381	75,057,381
Investment property	–	–	–	–	1,404,000	–	1,404,000	1,404,000
Investment in associates	–	–	–	–	–	300,155	300,155	300,155
Other assets	5,718,898	2,561,118	116,237	11,411,720	–	–	19,807,973	17,292,653
Deferred tax assets	13	–	1,599	1,338,269	399,670	–	1,739,551	1,739,551
Property and Equipment	132,422	956,472	14,220	32,637	12,789,379	14,019,860	27,944,990	27,944,990
Equipment on lease	–	–	–	–	2,169,175	–	2,169,175	2,169,175
Goodwill	–	–	–	–	–	1,738,148	1,738,148	1,738,148
Total Assets (expected dates) – (A)	235,143,545	104,557,515	83,033,495	79,703,625	177,994,971	45,540,896	725,974,047	693,783,938
Liabilities								
Customer deposits	260,147,651	173,663,918	1,142,605	3,519,372	85,451	–	438,558,997	438,558,997
Due to other banks	430,280	27,061,341	15,724,454	289	477	–	43,216,841	43,216,841
On-lending facilities	650	2,878	30,535	230,706	2,064,976	802,219	3,131,964	3,131,964
Debt securities in issue	–	–	2,604,277	–	–	–	2,604,277	2,604,277
Current income tax	58	–	2,604	6,979,367	–	–	6,982,029	6,982,029
Other liabilities	3,595,020	2,512,221	851,062	16,613,748	7,332,609	1,123	30,905,783	30,905,783
Deferred tax liability	–	–	–	–	37,999	–	37,999	37,999
Total Liabilities (expected dates) – (B)	264,173,659	203,240,358	20,355,537	27,343,482	9,521,512	803,342	525,437,890	525,437,890
Gap	(29,030,114)	(98,682,843)	62,677,958	52,360,143	168,473,459	44,737,554	200,536,157	168,346,048

(l) (iii) Maturity Profile of Assets and Liabilities: On-balance Sheet

The maturity profile of the assets and liabilities on the Bank's balance sheet is as follows:

As at 31 December 2010

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets								
Cash and balances with Central Bank of Nigeria	10,274,161	7,374,230	–	–	–	–	17,648,392	17,648,392
Treasury bills	11,618,000	–	–	–	–	–	11,618,000	11,618,000
Due from other banks	72,177,480	–	–	–	–	–	72,177,480	72,177,480
Loans and advances to customers	110,287,957	76,322,737	46,522,176	32,334,795	141,374,717	28,941,229	435,783,611	403,178,957
On-lending facilities	–	970,938	87,672	150,177	5,274,762	16,202,229	22,685,778	22,685,778
Advances under finance lease	3,444	8,045	20,103	95,325	2,590,696	23,479	2,741,092	2,741,092
Investment securities	1,151,851	–	2,690,920	–	–	112,968,849	116,811,620	116,811,620
Investment in subsidiaries	–	–	–	–	–	24,261,123	24,261,123	24,261,123
Investment property	–	–	–	–	12,943,078	–	12,943,078	12,943,078
Investment in associates	–	–	–	–	–	–	–	–
Other assets	10,429,434	3,857,601	174,412	8,439,029	–	–	22,900,476	22,172,504
Deferred tax assets	–	–	–	–	–	–	–	–
Property and Equipment	4,087,845	–	–	–	5,782,804	9,290,862	19,161,511	19,161,511
Equipment on lease	–	–	–	–	1,561,045	–	1,561,045	1,561,045
Goodwill	–	–	–	–	–	–	–	–
Total Assets (expected dates) – (A)	**220,030,173**	**88,533,551**	**49,495,283**	**41,019,325**	**169,527,102**	**191,687,772**	**760,293,205**	**726,960,580**
Liabilities								
Customer deposits	328,618,920	92,149,398	10,663,440	8,278,228	832,129	–	440,542,115	440,542,115
Due to other banks	231,394	16,189,432	5,335,593	–	12,986,519	–	34,742,938	34,742,938
On-lending facilities	–	970,938	87,672	150,177	5,274,762	16,202,229	22,685,778	22,685,778
Debt securities in issue	–	–	–	–	–	–	–	–
Current income tax	2,959,976	–	–	–	–	–	2,959,976	2,959,976
Other liabilities	1,573,308	6,762,294	3,219,897	11,987,382	19,626,881	–	43,169,762	43,169,762
Deferred tax liability	–	–	–	355,197	–	–	355,197	355,197
Total Liabilities (expected dates) – (B)	**333,383,598**	**116,072,062**	**19,306,602**	**20,770,983**	**38,720,291**	**16,202,229**	**544,455,766**	**544,455,766**
Gap	**(113,353,425)**	**(27,538,510)**	**30,188,680**	**20,248,342**	**130,806,810**	**175,485,543**	**215,837,440**	**182,504,814**

(l) (iv) Maturity Profile of Assets and Liabiities: On-balance Sheet

The maturity profile of the assets and liabilities on the Bank's balance sheet is as follows:

As at 31 December 2009

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Assets								
Cash and balances with Central Bank of Nigeria	57,989,812	253,112	–	–	–	–	58,242,924	58,242,924
Treasury bills	10,926,086	–	–	–	–	–	10,926,086	10,926,086
Due from other banks	29,751,879	–	46,439,826	–	–	–	76,191,705	76,191,705
Loans and advances to customers	90,985,906	66,651,094	29,989,928	51,696,700	136,051,471	9,991,341	385,366,441	360,387,649
On-lending facilities	–	4,496	49,541	359,712	2,718,214	–	3,131,963	3,131,963
Advances under finance lease	10,733	54,684	54,770	336,568	3,317,265	–	3,774,020	3,774,020
Investment securities	31,000,629	13,489,580	2,282,852	1,863,658	5,810,585	18,285,384	72,732,689	72,732,689
Investment in subsidiaries	–	–	–	–	–	23,299,346	23,299,346	23,299,346
Investment property	–	–	–	–	1,404,000	–	1,404,000	1,404,000
Investment in associates	–	–	–	–	–	145,000	145,000	145,000
Other assets	5,717,909	2,561,560	115,815	7,556,668	–	–	15,951,952	13,677,803
Deferred tax assets	–	–	–	1,338,268	–	–	1,338,268	1,338,268
Property and Equipment	51	–	–	33,484	6,102,408	14,018,148	20,154,091	20,154,091
Equipment on lease	–	–	–	–	2,169,175	–	2,169,175	2,169,175
Goodwill	–	–	–	–	–	–	–	–
Total Assets (expected dates) -(A)	226,383,005	83,014,527	78,932,732	63,185,058	157,573,119	65,739,219	674,827,660	647,574,719
Liabilities								
Customer deposits	236,712,183	168,215,202	528,793	294,460	85,454	–	405,836,092	405,836,092
Due to other banks	328,899	23,011,332	15,685,452	–	–	–	39,025,683	39,025,683
On-lending facilities	–	2,878	31,671	230,219	2,064,978	802,219	3,131,964	3,131,964
Debt securities in issue	–	–	2,604,277	–	–	–	2,604,277	2,604,277
Current income tax	–	–	–	6,736,626	–	–	6,736,626	6,736,626
Other liabilities	3,594,745	2,512,218	847,932	2,801,550	7,332,609	–	17,089,054	17,089,054
Deferred tax liability	–	–	–	–	–	–	–	–
Total Liabilities (expected dates) -(B)	240,635,827	193,741,629	19,698,124	10,062,855	9,483,042	802,219	474,423,696	474,423,696
Gap	(14,252,822)	(110,727,102)	59,234,607	53,122,203	148,090,077	64,937,000	200,403,964	173,151,023

(m) (i) Maturity Profile of Contingent liabilities: Off-balance Sheet

Age analysis of contingent liabilities is presented below:

Group

As at 31 December 2010

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Performance bonds and financial guarantees	843,110	2,078,426	3,855,358	113,489,494	15,589,381	–	135,855,769	135,855,769
Contingent Letters of credits	14,438,167	51,035,358	31,730,624	4,078,413	845,673	–	102,128,235	102,128,235
Guaranteed CP/Bankers acceptances	–	–	66,918	–	–	–	66,918	66,918
Guaranteed facilities	–	–	830,500	–	–	–	830,500	830,500
Other commitments	–	–	–	–	–	–	–	–
	15,281,277	53,113,783	36,483,400	117,567,907	16,435,055	–	238,881,422	238,881,422

Group

31 December 2009

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Performance bonds and financial guarantees	6,307,355	12,094,985	13,956,430	21,241,563	35,464,689	–	89,065,023	89,065,023
Contingent Letters of credits	2,858,585	15,989,502	19,975,288	4,096,735	5,392,035	–	48,312,145	48,312,145
Guaranteed CP/Bankers acceptances	–	233,037	–	–	–	–	233,037	233,037
Guaranteed facilities	–	–	445,307	–	–	–	445,307	445,307
Other commitments	–	–	–	–	–	–	–	–
	9,165,940	28,317,524	34,377,025	25,338,298	40,856,724	–	138,055,511	138,055,511

Bank

As at 31 December 2010

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Performance bonds and financial guarantees	2,248,885	11,528,403	31,598,809	65,117,044	15,384,262	–	125,877,403	125,877,403
Contingent Letters of credits	5,657,771	37,691,153	16,155,180	8,210,301	860,124	–	68,574,528	68,574,528
Guaranteed CP/Bankers acceptances	–	–	–	–	–	–	–	–
Guaranteed facilities	–	–	–	–	–	–	–	–
Other commitments	–	–	–	–	–	–	–	–
	7,906,656	49,219,556	47,753,988	73,327,345	16,244,386	–	194,451,931	194,451,931

Bank

31 December 2009

	up to 1 month	1–3 months	3–6 months	6–12 months	1–5 years	over 5 years	Total	Carrying Value
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Performance bonds and financial guarantees	6,307,356	12,094,985	13,956,430	17,282,663	35,464,688	–	85,106,123	85,106,123
Contingent Letters of credits	2,858,585	15,989,502	12,193,931	4,096,735	5,392,036	–	40,530,789	40,530,789
Guaranteed CP/Bankers acceptances	–	–	–	–	–	–	–	–
Guaranteed facilities	–	–	–	–	–	–	–	–
Other commitments	–	–	–	–	–	–	–	–
	9,165,941	28,084,487	26,150,361	21,379,398	40,856,724	–	125,636,911	125,636,911

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments with regard to taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Bank is involved. Operational risk is inherent in Access Bank's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management.

This framework includes:

- Recognised ownership of the risk by the businesses;
- Oversight by independent risk management; and
- Independent review by Corporate Audit.

We seek to minimise exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The goal is to keep operational risk at appropriate levels relative to the characteristics of our businesses, the markets in which we operate our capital and liquidity, and the competitive, economic and regulatory environment. Notwithstanding these controls, Access Bank incurs operational losses.

Our operational risk strategy seeks to minimise the impact that operational risk can have on shareholders' value. The Bank's strategy is to:

- Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings;
- Minimise the impact of unexpected and catastrophic events and related costs through risk financing strategies that will support the Bank's long term growth, cash flow management and balance sheet protection;
- Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasises effective operational management and adherence to operating controls, there are three distinct levels of operational risk governance structure in Access Bank Plc.

Level 1 refers to the oversight function carried out by the Board of Directors, Board Risk Committee and the Executive Management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by Operational Risk Management Group. It has direct responsibility for formulating and implementing the Bank's operational risk management framework including methodologies, policies and procedures approved by the Board.

Level 3 refers to the operational function carried out by all business units and support functions in the Bank. These units/functions are fully responsible and accountable for the management of operational risk in their units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal audit provides independent assessment and evaluation of the Bank's operational risk management framework. This periodic confirmation of the existence and utilisation of controls in compliance with approved policies and procedures, provide assurance as to the effectiveness of the Bank's operational risk management framework. Some of the tools being used to assess, measure and monitor operational risks in the Bank include; a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyse business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

Operational risk framework

The Bank's current operational risk framework was implemented in 2007 to meet internal and regulatory requirements. There has been significant investment in the implementation of improved measurement and management approaches for operational risk to strengthen control, improve customer service, improve process efficiencies and minimise operating losses. The Bank has applied the Advanced Measurement Approach (AMA) under Basel II, which commenced from the beginning of 2009. It is neither cost-effective nor possible to attempt to eliminate all operational risks. Events of small significance are thus expected to occur and are accepted as inevitable with relevant budgeting for these losses being exercised where appropriate. Events of material significance are limited and the Bank seeks to reduce the risk from these extreme events in a framework consistent with its agreed risk appetite. Processes are in place to monitor management and future mitigation of such events.

The role of the Independent Operational Risk department is to establish, implement and maintain the operational risk framework for the modelling and managing of the Bank's operational risk, while reinforcing and enabling operational risk management culture throughout the Bank. The aim is to integrate, based on international norms and best practices, all operational risk activities and to compile a reliable operational risk profile contributing to the Bank's risk-reward profile. The key advantage introduced by the current framework is the financial quantification and modelling of operational risks. This functionality has significantly improved the Bank's operational risk measurement and management capabilities.

Management and control responsibilities

The first line of governance for managing operational risk rests with the business and operational risk management forms part of the day-to-day responsibilities of all business unit management. Business unit staff report any identified breakdowns in control and any risk events that may result in financial loss and/or reputation damage. Amongst others, business management is responsible to ensure that processes for identifying and addressing ineffective controls and the mitigating of risk events are implemented and executed. Operational Risk teams form the secondary line of governance by ensuring that processes to identify weaknesses are effective, and identified weaknesses are acted upon. Operational Risk Group enables further governance. Operational risk management is monitored at the Group Exco and ERMC meetings. The Bank's operational risk profile is presented to the Board quarterly. Control effectiveness is monitored by the ERMC and by the Board; and the multi-layered system of defences ensures pro-active operational risk management.

Measuring and managing operational risk

The Bank recognises the significance of operational risk and is committed to enhancing the measurement and management thereof. Within the Bank's operational risk framework, qualitative and quantitative methodologies and tools are applied (Group-wide) to identify and assess operational risks and to provide management information for determining appropriate mitigating measures.

Risk event data collection and reporting

A standard process is used for the recognition, capture, assessment, analysis and reporting of risk events. This process is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are loaded onto a central database and reported monthly to the ERMC. The Group also uses a database of external public risk events and is part of a consortium of international banks that share loss data information anonymously to assist in risk identification, assessment, modelling and benchmarking.

Key risk scenarios (KRS)

The Bank creates key risk scenarios (KRSs) that quantify the Group's operational risks. These KRSs are informed by internal data, including internal loss experience, risk and control assessments, key indicators, audit findings, external loss data and is supplemented and validated by expert management judgment. In addition to serving as major input to the operational risk capital model, KRSs also inform management of the Group's operational risk landscape. KRSs are assessed on an expected and an extreme impact basis and undergo rigorous challenge and validation through various parties and process committees. This robust governance process ensures coverage and accuracy of the KRSs.

Risk and control self assessments (RCSAs)

In order to pro-actively identify and actively mitigate risks, the operational risk framework utilises RCSAs. RCSAs are used at a granular level to identify relevant material risks and key controls mitigating these risks. The risks and controls are assessed on a quarterly basis and relevant action plans are put in place to treat, tolerate, terminate or transfer the risks, taking into account the relevant business risk appetites. The RCSA programme is extensive and covers the entire Group. The Internal Audit further tests the effectiveness of the RCSAs within the normal course of auditing and relevant metrics are monitored and actioned where relevant.

Key indicators (KIs)

A comprehensive set of KIs are in place across the Group, with relevant and agreed thresholds set by the business. KIs are monitored on a Group as well as business unit level, based on significance. Threshold breaches are managed in accordance with an agreed process across the Group.

Control issues (CIs)

A CI is defined as any aspect of the design, implementation or operation of a control that could result in the control objective not being achieved. A control objective is a statement that clearly describes what the control has been designed to achieve and can refer to a control that requires strengthening or one that requires implementation due to a change in business risk appetite. Failure of a control can cause an event that leads to a financial loss or non-financial impact for the business. CIs identified are managed and reported via a robust governance process.

Reporting

Business units are required to report on both a regular and an event-driven basis. The reports include a profile of the key risks to their business objectives, RCAs, CIs, KI dashboards and operational risk events.

Capital modeling

The model applied to determine the Group's operational risk capital has passed rigorous reviews, validation and approval in accordance with the Bank's model risk governance processes. Operational risk capital is allocated on a risk-sensitive basis to business units in the form of Economic Capital (EC) charges, providing an incentive to improve controls and to manage these risks within appetite levels. The AMA capital model methodology was designed, built and tested in 2008. The AMA model follows an approach which is a combination of a key risk scenario (KRS) based and a loss data approach. The AMA capital model enables the Group to use internal and external data to assess the level of risk and calculate an EC and Regulatory Capital (RC) charge. KRSs are the main driver of the model. The Bank believes that this is currently the most effective way to measure unexpected loss. KRSs also provide a forward looking view of operational risk.

Allocating capital

An allocation methodology is applied for allocating capital to business units (for instance, an allocation from Access Bank to Commercial Banking Division, Retail Banking Division, Institutional Banking Group, etc). For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures of the business unit's control environment, namely open audit findings, RCAs, KIs and losses. This translates to a risk-sensitive allocation with the opportunity afforded to business to identify actions to positively impact on their respective allocated operational risk EC.

Expected loss (EL) budgeting mitigation

Basel II, under the AMA for operational risk makes provision for mitigation of operational risk RC due to appropriate budgeting and managing for EL. A significant portion of the Bank's business already budgets for expected losses and while the Group has developed a methodology for the modelling of EL budgeting, the Bank will not apply risk mitigation in the calculation of its operational risk exposure, until such time as policies and procedures are compliant to regulatory minimum requirements.

Insurance mitigation

Insurance policies are used as a way to mitigate operational risks. These policies are current and remain applicable in the Bank's operating environment. Insurance coverage is purchased at Group or cluster level to discharge statutory and regulatory duties, or to meet counterparty commitments and stakeholder expectations. The primary insurance policies managed by the Bank are:

- Comprehensive crime and electronic crime;
- Directors' and officers' liability; and
- Professional indemnity.

In terms of the Advance Management Approach (AMA), the Bank may adjust its operational risk exposure result by no more than 20% to reflect the impact of operational risk mitigants. Globally, the use of insurance and other risk transfer mechanisms for operational risk is in a state of rapid development and pioneering work is being done across the industry. While the Bank has developed a methodology for the modelling of insurance, the Bank will not apply risk mitigation in the calculation of its operational risk exposure until such time as insurance policies are compliant to regulatory minimum requirements.

Information security and continuity of business

Information security and the protection of confidential and sensitive customer data are a priority of Access Bank. The Bank has developed and implemented an Information Security Risk Management framework that is in line with best practice. The framework is reviewed and enhanced regularly to address emerging threats to customers' information. The Operational Risk Management Group in conjunction with Information Technology continues to coordinate global preparedness and mitigate business continuity risks by reviewing and testing recovery procedures. Awareness campaigns are used to drive the business continuity culture in the bank. A major development in our business continuity efforts in 2010 included an alliance with one of our strategic partners for the provision of disaster recovery centers across our branch network.

Compliance risk management

Compliance Risk is the risk of damage to Access Bank's integrity as a result of failure (or perceived failure) to comply with relevant laws, regulations, internal policies and procedures or ethical standards. In addition to reputational damage, failure to effectively manage Compliance Risk can expose financial institutions to fines, civil and criminal penalties, payment of damages, court orders and suspension or revocation of licenses. A failure (or perceived failure) can adversely impact customers, staff and shareholders of Access Bank.

The Bank believes that fully embedded Compliance Risk Management preserves the trust its customers, shareholders and staff have in the Bank and is important for the way Access Bank does business. Managing Compliance Risk is fundamental to driving value. The pursuit of long term business sustainability requires proper conduct of business activities in accordance with the high ethical standards of Access Bank's Business Principles. These principles not only reflect laws and regulations, but are also based on the Bank's core values: excellence, ethics, and passion for customers, team work, trust and continuous learning.

Ongoing changes and the continuous introduction of new legislation have placed greater emphasis on the formal and structured monitoring of compliance with legal, regulatory, supervisory and internal requirements. Although legislative changes place an administrative burden on the Bank, the development of a framework provide the Bank with an opportunity to commit more openly to a culture of compliance within the Bank, its subsidiaries and divisions. In ensuring compliance with laws and regulations, the Bank put in place a robust Compliance Risk Management policy which set out guidelines to manage the Group's compliance risk made indispensable by the expansion of Access Bank activities in various jurisdictions, the evolving nature of the Global financial services industry, the introduction of new legislation, and the update of existing legislation; as well as the increasing complexities of the Bank's activities.

An efficient infrastructure has been put in place to enable management to track current and emerging Compliance Risk issues, to communicate these to internal and external stakeholders, and to drive continuous improvement. Access Bank understands that good Compliance Risk Management involves understanding and delivering on the expectations of customers and other stakeholders, thereby improving the quality of key relationships based on honesty, integrity and fairness.

Our Compliance framework provides the platform for the compliance programmes that are consistently applied across the Bank to manage compliance risk. The framework has put in place a Group-wide reporting compliance framework, encompassing both mandatory (regulatory) and non-mandatory (self regulatory) compliance. This framework includes a common approach to commitment and accountability, policies and procedures, controls and supervision, monitoring, regulatory change management, education and awareness and reporting.

We approach Compliance Risk Management on an enterprise and line of business level. The Compliance and Internal Control function provides oversight of significant compliance risk issues. The function also develops and guides the strategies, policies and practices for assessing and managing compliance risks across the organisation. We re-established Compliance Resource Officers meetings set-up to develop, manage and integrate a compliance culture that meets global standards within the organisation. Through education and communication efforts, a culture of compliance is emphasised across the organisation.

We also mitigate compliance risk through a broad-based approach to process management and improvement. The lines of business are responsible for all the risks within the business line, including compliance risks. Compliance Risk officers, working in conjunction with senior line of business executives, have developed key tools to address and measure compliance risks and to ensure compliance with laws and regulations in each line of business.

Fig. 6. Compliance risk management framework

Strategic risk management

Strategic risk is embedded in every line of business and is part of the other major risk categories (credit, market, liquidity, compliance and operational).

Strategic risk relates to the consequences that arise when the environment in which decisions that are hard to implement quickly and hard to reverse has an unattractive or adverse impact.

Strategic risk ultimately has two elements: doing the right thing at the right time; and doing it well.

It is the risk that results from adverse business decisions, ineffective or inappropriate business plans, or failure to respond to changes in the competitive environment, business cycles, customer preferences, product obsolescence, regulatory environment, business strategy execution, and/or other inherent risks of the business including reputational risk.

The Bank's appetite for strategic risk is continually assessed within the context of the strategic plan, with strategic risks selectively and carefully taken to maintain relevance in the evolving marketplace.

Significant strategic actions, such as material acquisitions or capital actions, are reviewed and approved by the Board. Using a plan developed by Management, Executive Management and the Board approve a strategic plan every three years. Annually, Executive Management develops a financial operating plan and the Board reviews and approves the plan. Executive Management, with Board oversight, ensures that the plans are consistent with the Bank's strategic plan, core operating tenets and risk appetite.

The following are assessed in their reviews: forecasted earnings and returns on capital; the current risk profile and changes required to support the plan; current capital and liquidity requirements and changes required to support the plan; stress testing results; and other qualitative factors such as market growth rates and peer analysis. Executive Management, with Board oversight, performs similar analyses throughout the year, and will define changes to the financial forecast or the risk, capital or liquidity positions as deemed appropriate to balance and optimise between achieving the targeted risk appetite and shareholder returns and maintaining the targeted financial strength.

We use robust models to measure the capital requirements for credit, country, market, operational and strategic risks. The economic capital assigned to each line of business is based on its unique risk exposures. With oversight by the Board, Executive Management assesses the risk-adjusted returns of each business in approving strategic and financial operating plans. The businesses use economic capital to define business strategies, price products and transactions, and evaluate customer profitability.

Reputational risk management

Reputation risk management is essentially concerned with protecting an organisation from potential threats to its reputation. Most importantly, reputational threats should be dealt with proactively and effects of reputational events should be minimised. The ultimate aim of reputation risk management is to avert the likelihood of any crisis and ultimately ensure the survival of the organisation. Nevertheless, managing reputational risk poses particular challenges for many organisations. Access Bank, in responding to the challenges posed by reputational risk, has put in place a framework to properly articulate, analyse and manage reputational risk factors.

The potential factors which affect the Bank's reputational risk profile include:

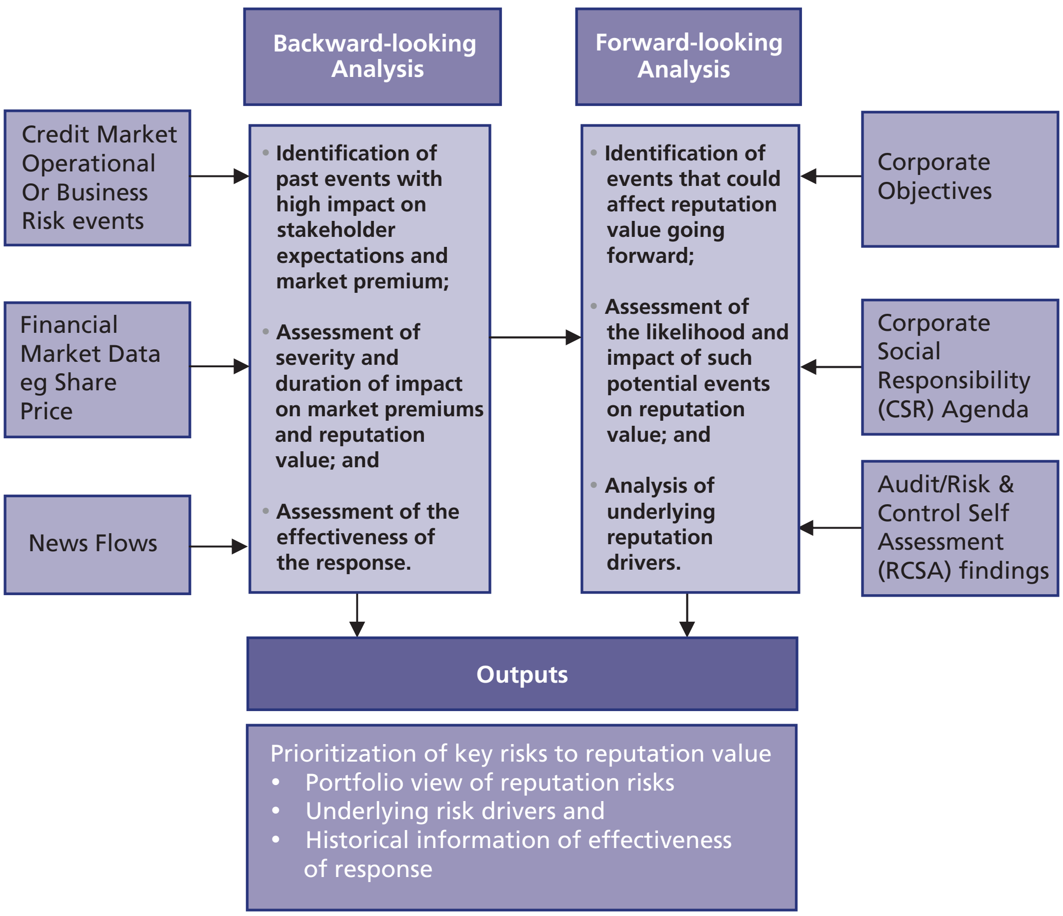
- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (eg corporate governance crises);
- Consolidation activities ignited by the Central Bank of Nigeria (CBN), resulting in a fusion of different cultures;
- Keen competition and largely homogeneous products and services have led customers not to perceive significant differences between financial service providers; and
- Given the financing nature of products and services they provide, banks are not only exposed to their own reputation, but also to the reputation of their clients.

With banks operating and competing in a global environment, risks emerging from a host of different sources and locations is difficult to keep up with and to know how best to respond if they occur. The effects of the occurrence of a reputational risk event include but are not limited to the following:

- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners;
- Increased costs of capitalisation via credit or equity markets;
- Regulatory sanctions;
- Increased costs due to government regulations, fines, or other penalties; and
- Loss of banking licence.

It is the Bank's policy that, at all times, the protection of the Bank's reputation should take priority over all other activities, including revenue generation. Reputational risk will arise from the failure to effectively mitigate one or more of country, credit, liquidity, market, regulatory and operational risk. It may also arise from the failure to comply with social, environmental and ethical standards. All employees are responsible for day-to-day identification and management of reputational risk.

Fig. 7. Key Drivers of Reputational Risk



Risk identification process

In identifying reputational risk factors, the Bank makes use of the output of the operational risk identification process. At the end of the operational risk identification sessions, risk profiles shall be derived and analysed. In analysing the report, the Head of Operational Risk Management Unit identifies risk events with possible negative reputational impact on the Bank. These risk events are analysed and those with a risk score of 3 and above included in the reputational risk matrix report. The process relies both on backward-looking and forward-looking analyses and enables the Bank to isolate the key events that could affect the Bank's ability to meet stakeholders' expectations.

The Bank shall identify a series of risk events with key drivers that have the greatest impact on its ability to meet stakeholder expectations.

These drivers include the following:

- Quality of corporate governance
- Management integrity
- Staff competence / support
- Corporate culture
- Risk management and control environment
- Financial soundness / business viability
- Business practices
- Customer satisfaction
- Legal / regulatory compliance
- Contagion risk / rumours
- Crisis management
- Transparency / accountability
- Product innovation.

The forward-looking portion of the analysis considers the information on risk drivers from the backward-looking analysis of historical data, and seek to identify potential future reputational issues. This analysis is performed against the background of the Bank's corporate objectives, its corporate social responsibility agenda and external factors. Access Bank seeks to leverage existing information from audit findings, risk and control self-assessments, environmental scanning and scenario planning processes to the greatest extent possible.

Compilation of trigger events

In order to assist in the identification of key reputational risk events, triggers that would set off the risk drivers should be compiled through workshops with participants from relevant business units.

The following table illustrates few trigger events for relevant risk drivers.

Risk Drivers	Trigger Events
Corporate governance and leadership	• Corporate frauds and scandals • Association with dishonest and disreputable characters as directors, management • Association with politically exposed persons • Incidence of shareholders conflict and Board instability
Regulatory compliance	• Non-Compliance with laws and regulation • Non submission of Regulatory returns
Delivering customer promise	• Security failure • Shortfall in quality of service/fair treatment • Bad behavior by employees
Workplace talent and culture	• Unfair employment practices • Not addressing employee grievances • Uncompetitive remuneration
Corporate social responsibility	• Lack of community development initiatives
Corporate culture	• Lack of appropriate culture to support the achievement of business objective • Ineffective risk management practices • Unethical behaviours on the part of staff and management • Lack of appropriate structure for employees to voice their concerns
Risk management and control environment	• Inadequate risk management and control environment • Continuous violations of existing policies and procedures
Financial soundness and business viability	• Consistent poor financial performance • Substantial losses from unsuccessful investment
Crisis management	• Inadequate response to a crisis or even a minor incident

Events data analysis

Events data analyses are conducted to assess the gap between performance of the Bank and the expectation of stakeholders. The nature of the gap and the reasons for the gap is analysed for ensuing corrective action. Sample of events data analysed is furnished below:

- Evaluating types of marketing efforts and implications for Reputational Risk;
- Analysis of number of accounts opened vs closed;
- Calling effort analysis;
- Complaint log analysis; and
- Error resolution review.

Approach to managing reputation events

The Bank's approach to managing reputation events, including any relevant strategy and policies, is approved by the Board or its delegated committee and subject to periodic review and update by senior management to ensure that it remains appropriate over time. In addition, the approach is well documented and communicated to all relevant personnel.

Overall strategy / action plan

Each reputation event is different and a precise list of action which may be taken to deal with the event, cannot be clearly specified. Below are some guidelines used in developing overall strategy and the required action plan:

- Timely reports and escalation of any reputational event to senior management by all staff to management in a bid to formulate an action plan to deal with the reputational events. This will also enable the Bank to communicate the right message to the right people at the right time;
- The Bank will seek to gain time for planning action in advance through early recognition of warning signs and emerging threats of reputational events;
- Although the detail of reputational events will vary from case to case, a proper action plan covering some key areas should be in place.
  These include:
  - Clear and precise objectives to be achieved, must be set;
  - The target audiences with whom the Bank will be communicating and their respective areas of interest or concern to be addressed, must be defined;
- Decide the key messages to get across to the target audiences. While the messages for different audiences may vary, they should not be contradictory or inconsistent;
- Individual actions to be undertaken are coherent and mutually supporting of the overall strategy;
- Specific actions to be undertaken will conform to the agreed strategy and objectives; and
- All proposed actions must be timed and approved;
- Time schedule of events must be maintained from the start;
- Access Bank will consider how the facts of the situation will be presented to target audiences in a manner which will win their acceptance and understanding. However, in no case should false information or distorted perspectives be presented;
- In limiting damage to the Bank's reputation, emphasis should be placed on demonstrating to target audiences;
- The care Access Bank has taken to guard against the recurrence of similar events; and
- The actions taken by the Bank in response to the event and the effectiveness of those actions;
- Corporate Communications will be designated to handle all communication matters, including media relations and public announcements;
- Actions taken should cater for any possible impact on cross-border operations;
- All relevant parties within the Bank will be adequately briefed as the situation develops;
- All actions taken should be based on a thorough knowledge of the facts of the situation, and be planned with a clear understanding of the likely consequences (including any follow-up action which may then be required).

The points mentioned above are not exhaustive and Access Bank tailors their strategy and action plan to suit their specific circumstances and needs.

Process

Access Bank has established a clear set of procedures for managing such reputational events (including pre-planning how certain situations may be handled).

These include:

- Reputational events to be captured are defined through pre-determined criteria, triggering conditions or hypothetical scenarios, etc. In determining what types of events to be included, the Bank will have regard to the results of their internal processes for identifying and assessing reputation risk, as well as their vulnerability to reputation risk;
- Specify the process for identifying reputation events, including the authority for deciding whether a reputation event has occurred and for invoking procedures for managing the event;
- The impact of such events based on established standards and criteria (with particular focus on the impact on the Bank's business and reputation) are measured;
- Appropriate response actions on how to deal with the event in question and to protect the Bank's reputation are established and prioritised;
- All stakeholders that are affected by the event are notified of the situation;
- Agreed actions will be implemented and stakeholders' reaction to actions taken are monitored;

- Reassess the situation and, in case of need, modifying agreed actions;
- Ongoing reporting to the Board and Senior Management of the progress and results of implementing agreed actions; and
- The post event review will be done and the lesson learnt will be used to enhance the reputational risk management.

Post-event reviews

After a reputation event, the post-event review will be conducted by Internal Audit and Risk Management Division to identify any lessons learnt, or problems and weaknesses revealed, from the event. Such reviews will be useful for providing feedback and recommendations for enhancing the Bank's reputation risk management process, and should at least be conducted on any major event affecting Access Bank. The Board and Senior Management will be promptly informed of the results of any such review conducted so that they can take appropriate actions to improve its approach to managing reputation risk.

Capital risk management

Capital risk is the risk that the Bank's total capital base is not properly managed in a prudent manner.

Capital management objectives

The Bank has a number of capital management objectives:

- To meet the capital ratios required by its regulators and the Bank internal ICAAP threshold;
- To maintain an adequate level of available capital resources as cover for the economic capital (EC) requirements, calculated at a 99.95% confidence level;
- To generate sufficient capital to support asset growth;
- To maintain an investment grade credit rating; and
- To achieve a return above the cost of equity.

Capital management strategy

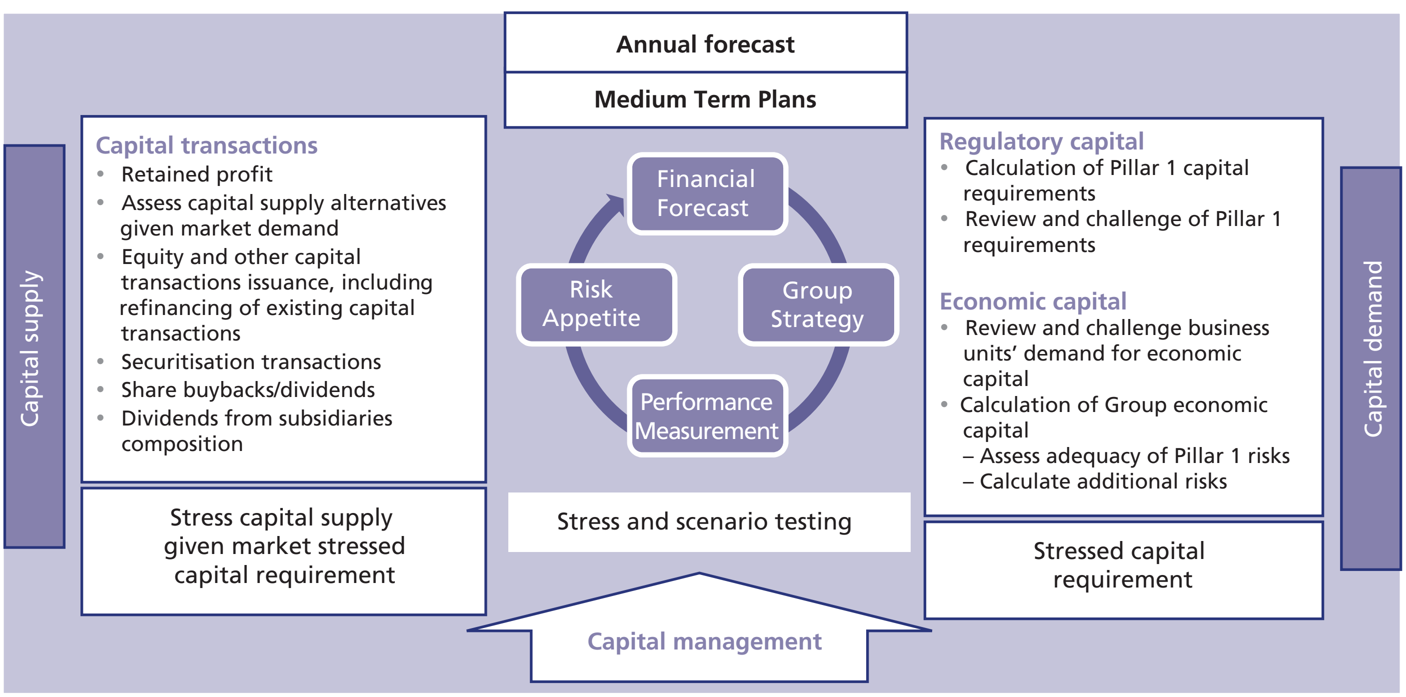
The Bank's capital management strategy is focused on maximising shareholder value by optimising the level and mix of capital resources. Decisions on the allocation of capital resources are based on a number of factors including return on EC and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).

Importance of capital management

Capital is managed as a Board level priority in the Bank which reflects the importance of capital planning. The Board is responsible for assessing and approving the Bank's capital management policy, capital target levels and capital strategy.

A capital management framework provides effective capital planning, capital issuance, Basel II alignment, EC utilisation and economic profit (EP) performance measurement criteria. The following diagram illustrates the process the Group follows to ensure end-to-end integration of the Bank's strategy, risk management and financial processes into the capital management process. The purpose is to ensure that capital consumption in the business divisions has an impact on performance measurement,

Fig. 8. Capital Management Process



which in turn translates into management performance assessment and product pricing requirements and achievement of the overall strategy within risk appetite.

Regulatory capital

In all the countries where Access Bank operates, banks are required to hold a minimum capital level determined by the regulators. Access Bank and individual banking operations are directly supervised by the Central Bank of Nigeria and the respective regulatory authorities in the countries in which the subsidiary banking operations are domiciled.

The Group's lead regulator, the Central Bank of Nigeria, sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements, Central Bank of Nigeria requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Group's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, capital reserve, share premium, retained earnings, translation reserve and minority interests after deductions for other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes qualifying subordinated liabilities and general provision allowances.
- The qualifying tier 2 capital cannot exceed tier 1 capital.

Banking operations are categorised mainly as trading book or banking book, and risk weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

Capital adequacy ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk weighted asset base. In accordance with Central Bank of Nigeria regulations, a minimum ratio of 10% is to be maintained.

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Group to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Group's longer term strategic objectives.

Our risk management framework is focused on the future

We believe effective risk management is more than just the collection and analysis of data. It also encompasses the insights delivered by information which facilitate appropriate actions. Access Bank benefits from having enhanced its Bank risk management framework, which gives full coverage of a variety of risks.

Our annual risk cycle is designed to give management relevant, up-to-date information from which trends can be observed and assessed. The governance structure supporting our risk cycle is designed to deliver the right information, at the right time, to the right people. In line with the industry's increasingly sophisticated management of risk, we continued to develop and embed our risk appetite framework during 2010, particularly our risk appetite assessment techniques.

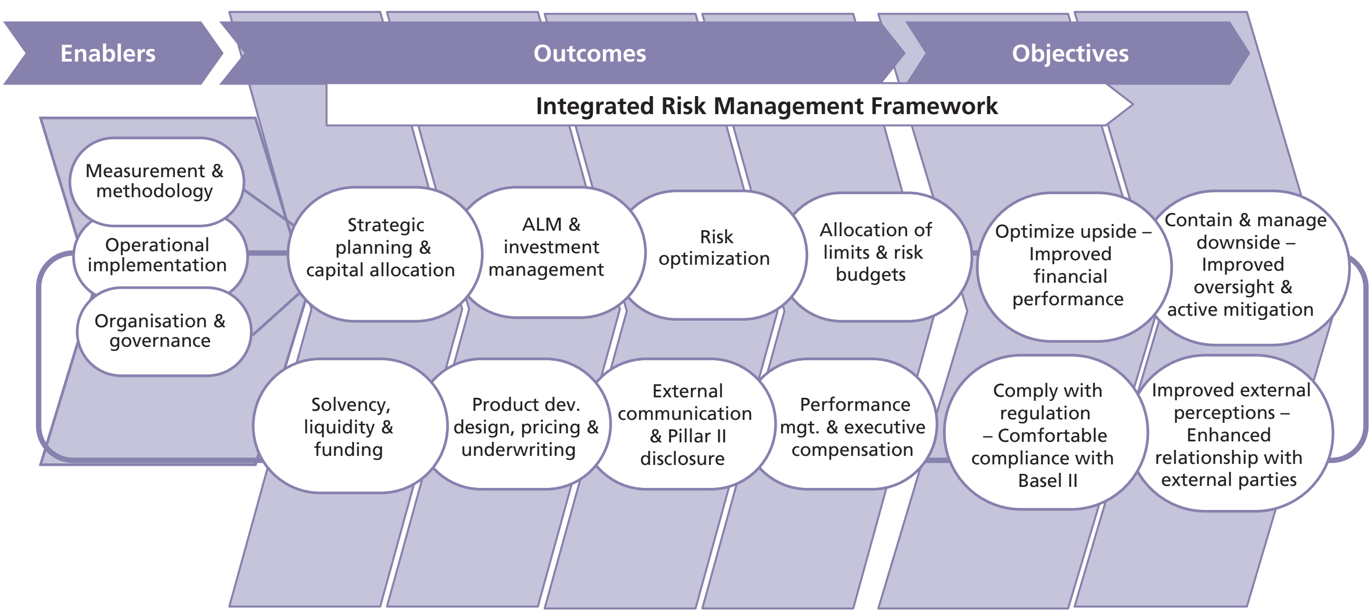
Accountability for risk management, and transparency of risk issues are crucial to our success. Responsibilities for managing risk are allocated to all managers within the Group and risk management requirements have been embedded in our performance management programme.

Ultimately, the success of our risk management framework will be determined by the extent to which it embeds in the corporate culture and leads to demonstrably better outcomes. We are committed to the continued development of our risk management framework.

Analysis of Regulatory Capital, Risk-weighted Assets and Determination of Capital Adequacy Ratio

	Group Dec-10	Group Dec-09
	N'000	N'000
Tier 1 Capital		
Share capital	**8,944,126**	8,131,024
Capital reserve	**3,489,080**	3,489,080
Share premium	**146,160,837**	146,163,226
Statutory reserve	**16,306,810**	14,367,094
SMIEIS reserve	**826,568**	800,393
Bonus issue reserve	**–**	810,713
Retained earnings	**(1,140,641)**	(7,482,217)
Less: Goodwill and intangible assets	(1,431,711)	(1,738,148)
Total qualifying Tier 1 capital (A)	**173,155,069**	164,541,165
Tier 2 Capital		
Non controlling interest	**699,332**	858,292
Revaluation reserve – fixed assets	**51,727**	538,909
Translation reserve	**32,618**	669,535
General provision	**62,654**	45,655
Total qualifying Tier 2 capital (B)	**846,331**	2,112,391
Total regulatory capital (C) = (A+B)	**174,001,400**	166,653,556
Risk-weighted assets		
On-balance sheet	**549,541,781**	465,766,720
Off-balance sheet	**119,889,420**	54,873,283
Total risk-weighted assets (D)	**669,431,201**	520,640,003
Risk-weighted Capital Adequacy Ratio (CAR) = (C) / (D)	**26%**	32%

Fig. 9. Practice focused on the future



Governance
Directors, Officers & Advisors

Mr Gbenga Oyebode, MFR	Chairman
Dr Cosmas Maduka	non-Executive Director
Mr Oritsedere Otubu	non-Executive Director
Dr Adewunmi Desalu	non-Executive Director
Dr Babatunde Folawiyo	non-Executive Director
Mr Emmanuel Chiejina	non-Executive Director
Dr Mahmoud Isa-Dutse	non-Executive Director
Mrs Mosunmola Belo-Olusoga	non-Executive Director
Mr Aigboje Aig-Imoukhuede	Group Managing Director/CEO
Mr Herbert Wigwe	Group Deputy Managing Director
Mr Taukeme Koroye	Executive Director
Mr Okey Nwuke	Executive Director
Mr Obeahon Ohiwerei	Executive Director
Mr Ebenezer Olufowose	Executive Director
Mr Sunday Ekwochi	Company Secretary

Corporate Head Office

Access Bank Plc
Plot 1665, Oyin Jolayemi Street
Victoria Island, Lagos
Telephone: +234 01 262 1040-41
+234 01 264 1517-72
Email: info@accessbankplc.com
Website: www.accessbankplc.com

Independent Auditors

Audit Partner: Kabir Okunlola
KPMG Professional Services
22A, Gerrard Road, Ikoyi, Lagos
Telephone: +234 1 271 8955
Website: www.kpmg.com

Registrars

United Securities Limited
14 Idowu Taylor Street
Victoria Island, Lagos
Telephone: +234 01 730 898
+234 01 730 891

Board of Directors

MR GBENGA OYEBODE, MFR
CHAIRMAN

Mr Gbenga Oyebode is the Managing Partner of Aluko & Oyebode (Barristers, Solicitors and Trademark Agents) with decades of experience in project finance; corporate law; energy and natural resources law; telecommunications and aviation law. He is the Chairman, Okomu Oil Palm Plc and also serves on the Board of MTN Nigeria and Crusader Insurance Plc.

Mr Oyebode holds a Master of Laws from University of Pennsylvania, Philadelphia (1982) and a Bachelor of Laws degree from the University of Ife (1979).

He is a Barrister & Solicitor of the Supreme Court of Nigeria (admitted June 1980) and an Attorney-at-law of the Supreme Court of New York State (admitted November 1983). He is also a member of the Nigerian Bar Association and the American Bar Society of International Law.

DR COSMAS M. MADUKA, D.BA
NON-EXECUTIVE DIRECTOR

Dr Cosmas Maduka D.BA (Honoris Causa UNN) is the current President/Chairman of the Board of Directors, Coscharis Group. He is an industrialist and philanthropist of great repute.

He is a member of the Electric Power Reform Implementation Committee in Nigeria; a Trustee Board Member of the Human Development Fund of the United Nations Development Programme (UNDP).

As an astute businessman, Dr Cosmas has contributed immensely towards the socio-economic growth and development of the nation. He is the Vice President of the Nigeria-Japan Association.

MR EMMANUEL NDUBISI CHIEJINA
NON-EXECUTIVE DIRECTOR

Mr Emmanuel Chiejina is the Chairman and CEO of AshBard Energy Company Limited and currently serves on the board of STACO Insurance Plc, F & C Group and Green Technologies Limited. He spent an active part of his career with Elf Petroleum Nigeria Limited (Total E&P) where he spent twenty-seven years and retired as Deputy Managing Director in 2007.

Mr Emmanuel Chiejina is a graduate of Law from the University of Lagos (1975). He was variously educated at Cranfield Institute of Technology, European Institute of Business Administration (INSEAD), University of London and London Business School.

DR ADEWUNMI A. DESALU
NON-EXECUTIVE DIRECTOR

Dr Adewunmi A Desalu is the Managing Director, Botad General Ltd and a Director at the Peninsula Asset Management and Investment Company Ltd. He managed General Electric's (GE) operations in Nigeria between 1979-1985.

Dr Adewunmi A Desalu is an alumnus of the prestigious Massachusetts Institute of Technology (MIT), USA and a member of the Institute of Electrical Electronics Engineering, USA. He is a qualified Electrical Engineer.

MRS MOSUNMOLA BELO-OLUSOGA
NON-EXECUTIVE DIRECTOR

Mrs Mosunmola Belo-Olusoga is the Principal Consultant/Programme Director of The KRC Limited. She served on the Board of Asset and Resource Management Company and is the past Chairperson, Equipment and Leasing Association of Nigeria.

She had an illustrious banking career spanning nearly 3 decades. She retired from Guaranty Trust Bank in 2006 as the Executive Director, Investment Banking and was at various times responsible for Risk Management, Corporate and Commercial Banking, Investment Banking, Transaction Service and Settlements (Local and Foreign Operations). She served as Acting Managing Director of Trust Bank of Africa Limited in 2003.

Mosunmola is a graduate of Economics from the University of Ibadan (1979). She qualified as a Chartered Accountant in 1983 winning 1st place merit award and also the award of the Society of Women Accountants of Nigeria prize for best qualifying candidate. She is a fellow of both the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers of Nigeria.

MR ORITSEDERE SAMUEL OTUBU
NON-EXECUTIVE DIRECTOR

Mr Otubu is the Executive Chairman of Senforce Insurance Brokers, and a Director of DAAR Communications Ltd, STACO Insurance Plc and Food Emporium International, South Africa.

He holds a Masters and Bachelors degrees in Finance and Accounting respectively from the Houston Baptist University, United States of America.

DR BABATUNDE FOLAWIYO
NON-EXECUTIVE DIRECTOR

Dr Babatunde Folawiyo is the Group Managing Director of Yinka Folawiyo Group with business interests in Power, Energy, Oil and Gas sectors. He also serves as a Director on the board of MTN Nigeria Ltd, Africa's leading telecommunications company.

Tunde holds a Master of Laws from the University College London (1985); a Bachelor of Laws from the University College London (1984) and a Bachelor of Science degree in Economics from the prestigious London School of Economics.

He was called to the Bar of England and Wales (Honorable Society of the Inner Temple) in 1985. He started his law practice in Nigeria with the firm of Ogunsanya and Ogunsanya, a firm where he resigned in 1989 to become the Group Executive Director of Yinka Folawiyo Group.

DR MAHMOUD ISA-DUTSE
NON-EXECUTIVE DIRECTOR

Dr Mahmoud Isa-Dutse is a Director of Northern Nigeria Flour Mills Plc, Kano. His professional banking experience spanned over two decades. He retired in 2002 as an Executive Director at United Bank of Africa Plc where he was at various times in charge of Credit Risk Management, Investment Banking and Corporate Banking.

Dr Mahmoud Isa-Dutse holds a PhD in Corporate Governance from the Manchester Business School, University of Manchester; an MBA from the Wharton Business School, University of Pennsylvania, USA; and a BSc in Economics from Ahmadu Bello University, Zaria.

MR AIGBOJE AIG-IMOUKHUEDE

GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

An alumnus of Harvard Business School Executive Management Programme, Aigboje holds an LLB and a BL degree from the University of Benin and the Nigeria Law School respectively. He is a Fellow of the African Leadership Institute under the auspices of Aspen Institute, Colorado USA, and an Honorary Fellow of the Chartered Institute of Bankers (CIBN). He has enjoyed a distinguished banking career of over 20 years, more than 10 of which were spent at Guaranty Trust Bank Plc (GT Bank). In March 2002, Aigboje resigned from GT Bank to lead a dynamic crop of accomplished bankers as the Group Managing Director/Chief Executive Officer of Access Bank Plc, with the mandate to transform it into a world-class financial services provider.

Aigboje's visionary leadership has inspired Access Bank's rapid and unprecedented growth over the past nine years, which has seen it rank amongst the top 10 in Nigeria from a position of 69th in 2002. In October 2007, Aigboje himself was ranked amongst the top 10 Most Respected CEOs in the annual PricewaterhouseCoopers 'Most Respected Companies and CEOs Survey', a documented testament of his leadership acuity. Aigboje is a principled professional of proven integrity and a respected public speaker. He is a pastor and is happily married with children.

MR HERBERT WIGWE

GROUP DEPUTY MANAGING DIRECTOR

Herbert holds a BSc Degree in Accountancy from the University of Nigeria, Nsukka, and a Masters Degree in Banking and International Finance from the University College of North Wales. An Alumnus of Harvard Business School, he holds a Masters Degree in Financial Economics from the University of London and he is also a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). Herbert has over two decades of banking experience, with over 10 years spent in Guaranty Trust Bank Plc (GT Bank). He left his post as an Executive Director at GT Bank to champion, with Aigboje, the transformation of Access Bank. His experience covers Corporate/Institutional Banking, Commercial Banking and Product Development. Herbert has led some of the industry's significant syndication arrangements including the offshore funding arrangement of over $350 million for LNG's Train III project.

MR AUKEME EDWIN KOROYE

EXECUTIVE DIRECTOR, OPERATIONS

Taukeme is a 1981 graduate in Business Administration from the University of Lagos and a Fellow of the Institute of Chartered Accountants of Nigeria. He began his banking career with Nigeria International Bank, a subsidiary of Citigroup (NIB) in 1987, having previously worked with PriceWaterhouse. At NIB, he worked in Corporate Finance, Corporate Banking, Internal Control, International Trade and Treasury Operations, and he rose to the position of Deputy General Manager, Operations and Technology, before joining Access Bank Plc in 2002. He has attended various training programmes, both locally and internationally, including IBFC training, INSEAD management and the Lagos Business School Computer programme. He is an alumnus of Harvard Business School.

MR OKEY NWUKE

EXECUTIVE DIRECTOR, INSTITUTIONAL BANKING DIVISION

Okey holds an MBA (1998) in International Banking & Finance from the University of Birmingham, UK, as a Chevening Scholar, and a BSc Degree (1990) in Accounting from the University of Nigeria, Nsukka. He is an associate member of Chartered Institute of Taxation and a Fellow of the Institute of Chartered Accountants of Nigeria. Mr Nwuke's professional banking career spans 17 years, during which he has gathered relevant experience in areas including Financial Control, Institutional/Corporate Banking and Commercial Banking. He began his career with Guaranty Trust Bank in 1991 in the Financial Control Unit and rose to the position of Assistant General Manager, Commercial Banking Group East, before moving to Access Bank Plc in 2002 to join the management team driving the Bank's successful transformation. He has attended several leadership and professional development programmes at Harvard, INSEAD, Euromoney, IMD, and Arthur D Little. He is an alumnus of Harvard Business School.

MR OBEAHON OHIWEREI

EXECUTIVE DIRECTOR, COMMERCIAL BANKING DIVISION

Obeahon holds a Masters Degree in Business Administration and a Bachelors Degree in Mathematics. He has close to two decades' banking experience across key banking functions including Branch Services, Commercial Banking, Public Sector and Institutional/ Corporate Banking.

Obeahon began his professional banking career in Guaranty Trust Bank Plc (GT Bank) and rose to the position of manager within six years. After leaving GT Bank in 1998, he has worked with various banks including Equatorial Trust Bank, Pacific Bank, Continental Trust Bank and Standard Trust Bank, serving in various capacities including, in 2004, as the pioneer MD/CEO of Standard Trust Bank, Ghana. Obeahon has attended training programmes within and outside the country including Accenture Training programme (USA), Harvard Business School (USA), Manchester Business School (UK), Lagos Business School, PricewaterhouseCoopers training and Arthur Anderson and Co. He is an alumnus of Harvard Business School.

MR EBENEZER OLUFOWOSE

EXECUTIVE DIRECTOR, FINANCIAL MARKETS

Ebenezer holds an MA Degree (1984) in International Economics from the University of Sussex, Brighton, UK (Sir Adam Thomas Scholar) and a BSc Degree (1982) in Economics from the University of Lagos, Nigeria. He is an accomplished investment banker with 25 years' banking experience which started in 1985 at NAL Merchant Bank Plc (NAL). He then moved on to work at First City Monument Bank (FCMB) and Guaranty Trust Bank Plc (GT Bank) where he worked as Head of the Corporate Finance Group and Group Head, Investment Banking, respectively. He was seconded to pioneer the take-off of GT Bank Gambia as Managing Director/Chief Executive Officer where he successfully obtained a banking licence from the Central Bank of Gambia. Another success was his identification and placing of GT Bank Gambia's shares with carefully selected local shareholders. In November 2002, he joined Nigeria International Bank Limited (a subsidiary of Citigroup) as Executive Director and Head of Corporate Finance and was later appointed Director of Citigroup in January 2007.

Ebenezer has attended various training programmes and courses at renowned institutions including the International Law Institute, Washington DC, Institute of Management Development, Lausanne, Switzerland and the Lagos Business School, Nigeria. He has also attended various leadership, corporate finance, credit and compliance courses at Citigroup, NAL, FCMB and GT Bank. He is an alumnus of Harvard Business School.

Management Team

Executive Management

Aigboje Aig-Imoukhuede
Group Managing Director/CEO

Herbert Wigwe
Group Deputy Managing Director

Taukeme Koroye
Executive Director, Operations

Okey Nwuke
Executive Director, Institutional Banking Group

Obeahon Ohiwerei
Executive Director, Commercial Banking Group

Ebenezer Olufowose
Executive Director, Financial Markets

Divisional Directors

Obinna Nwosu
Divisional Director, Retail Banking Division

Roosevelt Ogbonna
Divisional Director, Commercial Banking Division

General Managers

Bolaji Agbede
Head, Group HR

Banjo Adegbohungbe
Group Head, Global Trade & Payments

Kalu Agwu
Group Head, Branch Services Group

Pattison Boleigha
Head, Group Compliance & Internal Control

Tunde Coker
Group Chief Information Officer

Victor Etuokwu
Head, Retail Banking Division

Innocent Ike
Super Regional Head, Federal Capital Territory, Abuja

Peter Iwegbu
Head, IT Domestic and Shared Services

Angela Jide-Jones
Group Head, Private Banking

Greg Jobome
Chief Risk Officer

Ashok Kumar
Senior Banking Advisor

Speedwell Ngoka
Regional Head, CCBG North East

Adeyemi Odusanya
Group Head, Commercial Banking Group West

Segun Ogbonnewo
Group Head, Central Processing Centre

Ojini Olaghere
Group Head, General Resource Management

Deputy General Managers

Jerry Akpomudiare
Group Head, CBD Ikeja

Arese Alonge
Group Head, Treasury Marketing Group

Hadiza Ambursa
Group Head, Corporate Finance Group

Ayodeji Awodein
Group Head, Personal Care & Other Corporates

Kayode Awolu
Group Head, Value Chain Management

Segun Edun
Head, Credit Risk Management – Institutional Banking & Subsidiaries

Seyi Kumapayi
Chief Financial Officer, Domestic

Ifeanyi Okeke
Group Head, Abuja CBD

Dapo Olagunju
Head, Group Treasury

Jo Osojie
Head, Retail Credit & Small Loans Risk Management

Raheem Owodeyi
Head, Subsidiaries Compliance & Internal Controls

Iyabo Soji-Okusanya
Group Head, Telecomms

Damos Solaru
Head, Branch Services International

Yinka Tiamiyu
Head, Group Internal Audit

Aliyu Tijani
Group Head, Credit Risk Management – Domestic

Assistant General Managers

Kameel Adebayo
Head, Financial Control (Group Office)

Ayobami Adegoke
Regional Head, Branch Services Abuja

Kola Ajimoko
Group Head, Operational Risk Management

Ben Akpaloo
Head, Compliance Unit

David Oludare Aluko
Group Head, CBG South-South

Adedokun Aremu
Head, Remedial Asset, Port Harcourt & South Region

Abiola Bashorun
Team Lead, Cluster Products Team I

Abubakar Bello
Regional Head, CBD North West 1

Joe Egwuatu
Head, Central Processing & Head Office Controls

Ifeanyi Emefiele
Head, IT Audit

Kathleen Erhimu
Regional Head, CBG, V/I 1 Cluster

Oladapo Fajemirokun
Head, Dangote Global Relationship

Nixon Iwedi
Head, Food and Beverages

Ola Isola
Head, Trade Finance (Access UK)

Lookman Martins
Regional Head, CBG Mainland 1

Usman Mohammed
Regional Head, CCBG North West 2

Nnamdi Nwankwo
Group Head, Oil & Gas

Fatai Oladipo
Group Head, Corporate Counsel

Bode Olamide Ojeniyi
Group Head, Financial Institutions

Gboyega Oloyede
Head, Human Resources (Subsidiaries)

Dare Owolabi
Head, Development and Innovation

Jekwu Ozoemene
Group Head, CBD Port Harcourt

The Directors are pleased to present their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), and the Group and Bank audited financial statements and auditor's report for the financial year ended 31 December 2010.

Legal Form and Principal Activity

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

The principal activity of the Bank continues to be the provision of money market activities, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

The Bank has nine foreign and three local subsidiaries namely Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank UK Limited, Access Bank (Ghana) Limited, Access Bank (Rwanda) SA, FinBank Burundi, Access Bank Cote D'ivoire, Access Bank (RD Congo), United Securities Limited, Access Investment and Securities Limited and Access Homes and Mortgages Limited. It also has one associated company, Marina Securities Limited, which was disposed of during the year.

The financial results of all the subsidiaries have been consolidated in these financial statements.

Operating Results

Highlights of the Group's operating results for the year are as follows:

	Group 12 months Dec-10	Group 9 months Dec-09	**Bank 12 months Dec-10**	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Gross earnings	**91,142,064**	84,980,554	**79,065,123**	75,847,752
Profit/(loss) before taxation	**16,168,870**	(3,481,565)	**17,668,584**	41,723
Tax charge	**(5,100,749)**	(920,601)	**(4,737,143)**	(922,475)
Profit/(loss) after taxation	**11,068,121**	(4,402,166)	**12,931,441**	(880,752)
Non controlling interests	**176,442**	207,584	**–**	–
Profit/(loss) attributable to equity holders of the Bank	**11,244,563**	(4,194,582)	**12,931,441**	(880,752)
Appropriations				
Transfer to statutory reserve	**1,939,716**	–	**1,939,716**	–
Interim dividend paid	**3,577,650**	–	**3,577,650**	–
Transfer to general reserve	**5,727,197**	(4,194,582)	**7,414,075**	(880,752)
	11,244,563	(4,194,582)	**12,931,441**	(880,752)
Earnings/(loss) per share – Basic (k)	**63**	(26)	**72**	(5)
Earnings/(loss) per share – Adjusted (k)	**63**	(23)	**72**	(5)
Dividend per share (Declared) - k:				
– Final declared in prior year	**–**	70	**–**	70
– Interim in current year	**20**	–	**20**	–
Proposed dividend per share (k):	**30**	–	**30**	–
Shareholders' fund	**175,370,457**	168,346,048	**182,504,814**	173,151,023
Total non performing loans and advances	**37,673,139**	80,671,438	**31,228,154**	61,764,163
Total non performing loans and advances to gross loans and advances (%)	**8.10%**	19.51%	**7.17%**	16.03%

Interim Dividend

The Board of Directors paid an interim dividend of 20k each on the issued share capital of 17,888,252,000 ordinary shares of 50k each.

Proposed Dividend

The Board of Directors proposed final dividend of 30k each on the issued share capital of ordinary shares of 50k each. Withholding tax will be deducted at the time of payment.

Directors and their interests

The Directors who served during the year, together with their direct and indirect interests in the issued share capital of the Bank as recorded in the register of Directors' shareholding and as notified by the Directors for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act and listing requirements of the Nigerian Stock Exchange are noted below:

Number of Ordinary Shares of 50k each held as at	31-Dec-10		31-Dec-09	
	Direct	**Indirect**	Direct	Indirect
G Oyebode – Chairman	**65,021,987**	**63,356,888**	59,110,898	57,682,635
A I Aig-Imoukhuede – Managing Director	**23,458,468**	**514,958,528**	21,325,880	333,194,614
H O Wigwe – Deputy Managing Director	**23,458,466**	**514,958,528**	21,325,879	333,194,614
C M Maduka – non-Executive Director	**6,285,074**	**333,636,388**	6,233,646	268,391,489
O S Otubu – non-Executive Director	**15,690,593**	**19,421,795**	23,355,086	17,671,178
T E Koroye – Executive Director	**20,835,759**	**–**	18,941,600	–
M Isa-Dutse – non-Executive Director	**2,547,835**	**–**	2,316,214	–
E Chiejina – non-Executive Director	**5,853,630**	**–**	5,321,482	–
O Nwuke – Executive Director	**5,907,440**	**–**	5,370,400	–
T Folawiyo – non-Executive Director	**13,175,076**	**320,268,095**	11,977,342	291,152,815
A Desalu – non-Executive Director	**4,353,658**	**502,059**	4,003,326	638,236
O Ohiwerei – Executive Director	**8,029,340**	**–**	7,299,400	–
E Olufowose – Executive Director	**3,157,000**	**–**	2,500,000	–

Retirement of Directors

The Directors to retire every year shall be those who have been longest in office since their last election. In accordance with the provisions of section 259 of the Companies and Allied Matters Act of Nigeria, Dr Cosmas Maduka and Dr Tunde Folawiyo retire by rotation and being eligible offer themselves for re-election.

Directors' Interest in Contracts

In accordance with the provisions of Section 277 (1) and (3) of the Companies and Allied Matters Act of Nigeria, the Board has received Declaration of Interest from the under-listed Directors in respect of the companies (vendors to the Bank) set against their respective names.

Related director	Interest in entity	Name of company	Services
Mr Gbenga Oyebode	Partner	Aluko & Oyebode	Legal services
Dr Cosmas Maduka	Director	Coscharis Group Companies	Supply of cars, water, beverages and computer equipment
Mr Oritsedere Otubu	Director	Staco Insurance Plc	Underwriting services
Mr Oritsedere Otubu	Director	Senforce Insurance Brokers Ltd	Insurance brokerage services
Mr Taukeme Koroye	Director	Petrodata Management Services	Optix document management solution
Mrs Mosunmola Belo-Olusoga	Director	The KRC Ltd	HR and Training services
Mr Tunde Folawiyo	Director	MTN Nigeria Limited	Mobile telephone services
Mr Tunde Folawiyo	Director	Classic Insurance Brokers Limited	Insurance brokerage services
Mr Aigboje Aig-Imoukhuede	Director	Marina Securities Limited	Stock brokerage services

Analysis of shareholding:

The shareholding pattern of the Bank as at 31 December 2010 was as stated below:

Range	Number of Shareholders	% of Shareholders	Number of Holdings	% of Shareholders
				31 December 2010
Domestic Shareholders				
1–1,000	**32,179**	**7.42**	**18,252,983**	**0.10**
1,001–5,000	**267,325**	**61.66**	**586,371,477**	**3.28**
5,001–10,000	**58,558**	**13.51**	**442,883,090**	**2.48**
10,001–50,000	**54,301**	**12.53**	**1,180,841,232**	**6.60**
50,001–100,000	**11,772**	**2.72**	**790,436,167**	**4.42**
100,001–500,000	**7,879**	**1.82**	**1,468,995,171**	**8.21**
500,001–1,000,000	**706**	**0.16**	**486,106,950**	**2.72**
1,000,001–5,000,000	**570**	**0.13**	**1,163,405,213**	**6.50**
5,000,001–10,000,000	**87**	**0.02**	**616,408,329**	**3.45**
10,000,001 and above	**126**	**0.03**	**6,581,444,418**	**36.79**
	433,503	**100.00**	**13,335,145,030**	**74.55**
Foreign Shareholders				
500,001–1,000,000	**4**	**0.00**	**2,587,200**	**0.01**
1,000,001–5,000,000	**9**	**0.00**	**2,587,239**	**0.01**
5,000,001–10,000,000	**0**	**0.00**	**–**	**–**
10,000,001 and above	**3**	**0.00**	**4,547,932,009**	**25.43**
	16	**0.00**	**4,553,106,448**	**25.45**
Total	**433,519**	**100.00**	**17,888,251,478**	**100.00**

The shareholding pattern of the Bank as at 31 December 2009 was as stated below:

Range	Number of Shareholders	% of Shareholders	Number of Holdings	% of Shareholders
				31 December 2009
Domestic Shareholders				
1–1,000	126,122	28.47	112,919,805	0.69
1,001–5,000	178,665	40.33	469,831,237	2.89
5,001–10,000	60,645	13.69	440,492,804	2.71
10,001–50,000	57,731	13.03	1,295,903,934	7.97
50,001- 100,000	10,526	2.38	735,535,115	4.52
100,001–500,000	7,745	1.75	1,443,516,292	8.88
500,001–1,000,000	749	0.17	525,710,890	3.23
1,000,001–5,000,000	540	0.12	1,073,680,650	6.60
5,000,001–10,000,000	73	0.02	519,892,430	3.20
10,000,001 and above	80	0.02	5,661,775,200	34.81
	442,876	99.98	12,279,258,357	75.50
Foreign Shareholders				
500,001–1,000,000	4	0.00	3,141,508	0.02
1,000,001–5,000,000	21	0.00	64,998,741	0.40
5,000,001–10,000,000	21	0.01	174,831,507	1.08
10,000,001 and above	59	0.01	3,739,816,686	23.00
	105	0.02	3,982,788,442	24.50
Total	442,981	100.00	16,262,046,799	100

Substantial Interest in Shares

According to the register of members at 31 December 2010, no individual shareholder held up to 5% of the issued share capital of the Bank except the following:

	31 December 2010		31 December 2009	
	Number of shares held	**% of shareholding**	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited	**2,461,077,236**	**13.76**	1,600,459,554	9.84
Access Bank Staff Investment Trust Scheme	**1,030,910,287**	**5.76**	977,781,982	6.01

Property and Equipment

Information relating to changes in property and equipment is given in Note 22 to the financial statements. In the Directors' opinion, the net realisable value of the Group's property and equipment is not less than the value shown in the financial statements.

Donations and Charitable Gifts

The Bank identifies with the aspirations of the community and the environment in which it operates. The Bank made contributions to charitable and non-charitable organisations amounting to N103,831,000 (December 2009: N156,220,000) during the year, as listed below:

Beneficiary	Purpose	N'000
Sokoto State Government	Grant to support the State on Flood Disaster	20,000
Friends of Africa	Financial support and sponsorship of workplace policy programme	18,043
Commonwealth Business Council	Sponsorship of the African Investment Forum	10,055
Master Care Foundation	Grant to support unemployed women and youth in Delta State	10,000
Global Business Coalition	Sponsorship of AIDS and HIV Programme	9,413
Isiala Ngwa North Local Government, Abia State	School Improvement Projects	7,307
Kambani Arts	Sponsorship of Art exhibition	5,716
Idea Builders	Access Tree Planting Initiative	5,454
The Murtala Muhammed Foundation	Sponsorship of the annual Murtala Muhammed Memorial Lecture 2010	5,000
The Department of English and Literary Studies, University of Nigeria, Nsukka	Grant to support implementation of the department programmes	4,000
Kantin Kwari inferno victims, Kano	Financial support	2,000
United Nations Environment Programme Initiative	School Improvement Projects	1,241
Others	N1 million and below	5,602
Total		**103,831**

Compliance with Central Bank of Nigeria's Regulation on the Scope of Banking Activities

Section 6(1) of the Central Bank of Nigeria Regulation on the Scope of Banking Activities and Ancillary Matters requires every bank currently operating under a universal banking licence to submit to the Central Bank of Nigeria for approval a compliance plan duly approved by the Bank's Board of Directors. The regulation requires banks to divest from all non-banking businesses and apply for a new type of banking licence based on the decision of the Bank's Board of Directors.

The Bank's compliance plan duly approved by the Board of Directors on 28 October 2010 is as follows:

Proposed type of banking licence

The Board reviewed the options provided by the new licensing regime instituted by the Central Bank of Nigeria and resolved that the Bank would apply for an International Commercial Banking licence.

Divestment from non-banking subsidiaries

The Bank has three non-banking subsidiaries in Nigeria which are: United Securities Limited, Access Investment and Securities Limited and Access Homes and Mortgages Limited.

United Securities Limited, a wholly owned subsidiary of Access Bank Plc, is a Securities and Exchange Commission licensed provider of securities register and data administration services. The Company was acquired by the Bank in 2008 and currently has an authorised share capital of N50 million. The Board of Directors has resolved to sell the Company as a going concern to an acceptable core investor.

Access Investment and Securities Limited, a wholly owned subsidiary of Access Bank Plc, is the investment management subsidiary of the Bank. The Company commenced operation in 2008 and currently has an authorised share capital of N500 million. The Board of Directors resolved that the company would undergo members' voluntary winding up except if a willing buyer is found before the conclusion of the winding up process.

Access Homes and Mortgages Limited, a wholly owned subsidiary of Access Bank Plc, was incorporated in 2008 and licensed by CBN to carry on mortgage banking business in January 2009 with an authorised share capital of N1 billion.

The Board of Directors resolved that the Bank will integrate the operations of Access Homes and Mortgages Limited into its own operations and the assets and liabilities of the company will be transferred to the Bank.

Post Balance Sheet Events

There were no post balance sheet events which could have a material effect on the state of affairs of the Group as at 31 December 2010 or the financial performance for the year ended on that date that have not been adequately provided for or disclosed.

Human Resources

(i) Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion or physical condition.

In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development. As at 31 December 2010, the Bank had no staff with physical disability (December 2009: one).

(ii) Health, safety and welfare of employees

The Bank maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In addition, the Bank retains top-class hospitals where medical facilities are provided for its employees and their immediate families at its expense.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises.

The Bank operates both a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act 2004 for its employees.

Employee involvement and training

The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their well being. Towards this end, the Bank provides opportunities where employees deliberate on issues affecting the Group and employee interests, with a view to making inputs to decisions thereon. The Bank places a high premium on the development of its manpower. Consequently, the Bank sponsors its employees for various training courses, both locally and overseas.

Audit Committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act of Nigeria, the Bank has an Audit Committee comprising three Directors and three shareholders as follows:

1	Mr Oluwatoyin Eleoramo	–	Shareholder	Chairman
2	Mr Alashi Steven Ola	–	Shareholder	Member
3	Mr Idaere Gogo Ogan	–	Shareholder	Member
4	Mr Oritsedere Otubu	–	Director	Member
5	Dr Cosmas Maduka	–	Director	Member
6	Mrs Mosunmola Belo-Olusoga	–	Director	Member

The functions of the Audit Committee are as provided in Section 359(6) of the Companies and Allied Matters Act of Nigeria.

Auditors

KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria.

Plot 1665 Oyin Jolayemi Street
Victoria Island
Lagos

By ORDER OF THE BOARD

Sunday Ekwochi
Company Secretary
21 March 2011

Directors' Responsibilities & Statutory Audit Committee Report

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

The Directors accept responsibility for the preparation of the annual Financial Statements set out on pages 87 to 139 that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria regulations.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Mr Aigboje Aig-Imoukhuede
21 March 2011

Mr Herbert Wigwe
21 March 2011

REPORT OF THE STATUTORY AUDIT COMMITTEE

To the members of **Access Bank Plc**:

In accordance with the provisions of Section 359(6) of the Companies and Allied Matters Act of Nigeria, the members of the Audit Committee of Access Bank Plc hereby report on the financial statements for the year ended 31 December 2010 as follows:

— We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the cooperation of management and staff in the conduct of these responsibilities.

— We are of the opinion that the accounting and reporting policies of the Bank and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2010 were satisfactory and reinforce the Group's internal control systems.

— We are satisfied that the Bank has complied with the provisions of Central Bank of Nigeria Circular BSD/1/2004 dated 18 February 2004 on "Disclosure of insider related credits in the financial statements of banks". We hereby confirm that an aggregate amount of N58,866,046,399 (December 2009: N49,200,334,879) was outstanding as at 31 December 2010 of which N47,204,787 (December 2009: N35,420,589) was non performing (See Note 43).

— We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses thereon and with the effectiveness of the Bank's system of accounting and internal control.

Mr Oluwatoyin Eleoramo
Chairman, Audit Committee
4 March 2011

Members of the Audit Committee are:

1	Mr Oluwatoyin Eleoramo	Shareholder	Chairman
2	Mr Alashi Steven Ola	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr Oritsedere Otubu	Director	Member
5	Dr Cosmas Maduka	Director	Member
6	Mrs Mosunmola Belo-Olusoga	Director	Member

In attendance:
Sunday Ekwochi–Secretary

Corporate Governance
For the year ended 31 December 2010

INTRODUCTION

Access Bank Plc ("the Bank") recognises that good corporate governance is fundamental to earning and retaining the confidence and trust of its stakeholders. It provides the structure through which the objectives of the Bank are set and the means of attaining those objectives.

The Codes of Corporate Governance for Banks in Nigeria Post Consolidation issued by the Central Bank of Nigeria, the Securities and Exchange Commission's Code of Best Practice and Access Bank's Principles of Corporate Governance collectively provide the basis for promoting sound corporate governance in the Bank. The Bank's subsidiary entities are guided by these principles in their governance frameworks and also meet the requirements of their respective jurisdictions to ensure local compliance. The Group's governance framework helps the Board to discharge its role of providing oversight and strategic counsel in balance with its responsibility to ensure conformity with regulatory requirements and acceptable risk.

Compliance with all applicable legislation, regulations, standards and codes is an essential characteristic of the Bank's culture. The Board monitors compliance with these by means of management reports, which include information on any significant interaction with key stakeholders.

GOVERNANCE STRUCTURE

Shareholders' Meeting

Shareholders meetings are duly convened and held in line with the Bank's Articles of Association and existing statutory and regulatory regimes in an open manner, for the purpose of deliberating on issues affecting the Bank's strategic direction. This occurs through a fair and transparent process and also serves as a medium for fostering interaction between the Board, Management and Shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, Central Bank of Nigeria and Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of the Meeting. An Extraordinary General Meeting may also be convened at the request of the Board or shareholders holding not less than 10% of the Bank's paid-up capital.

The Board: Composition and Role

The Board comprises fourteen members, which include the Chairman and seven Non-Executive Directors, the Group Managing Director/CEO; Group Deputy Managing Director and four Executive Directors. In line with best practice, there is separation of powers between the Chairman and Managing Director. The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent Directors with no shadow or alternate Directors, which ensures that independent thought is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills, competences of the Executive and Non-Executive Directors who have exceptional degrees of banking, financial and broader entrepreneurial experiences.

The Board is responsible for ensuring the creation and delivery of sustainable value to the Bank's stakeholders through its management of the Bank's business. The Board is accountable to the shareholders and is responsible for the management of the Bank's relationship with its various stakeholders. The Board ensures that the activities of the Bank are at all times executed within the applicable and regulatory framework. The Bank's Principles of Corporate Governance, which is a set of principles which have been adopted by the Board as a definitive statement of Corporate Governance, defines such matters which have been reserved for the Board. The matters reserved for the Board include, but are not limited to, defining the Bank's business strategy and objectives, formulating risk policies and making decisions on the establishment of foreign subsidiaries. Executive Management is accountable to the Board for the development and implementation of strategy and policies.

The Board meets quarterly and emergency meetings are convened as may be required by circumstances. The Annual Calendar of Board and Committee meetings are approved in advance and all Directors are expected to attend each meeting. The Annual Calendar of Board Meetings includes a Board Retreat at an offsite location over three days to consider strategic matters and review the opportunities and challenges facing the institution. All Directors are provided with notice, agenda and meeting papers in advance of each meeting and, where a Director is unable to attend a meeting, he/she is still provided with the relevant papers for the meeting while such Director reserves the right to discuss with the Chairman the matters he/she may wish to raise at the meeting. Decisions are also taken between meetings via written resolutions circulated to all Directors in accordance with the Articles of Association.

The Company Secretary and his team continue to provide dedicated support to the Board ensuring that Directors receive timely and accurate information required to fulfill their roles. Directors may at the Bank's expense take independent professional advice on matters pertaining to their role as Directors. In addition, the Directors receive monthly updates on developments in the business and regulatory environment. The Board ensures the regular training and education of board members on issues pertaining to their oversight functions.

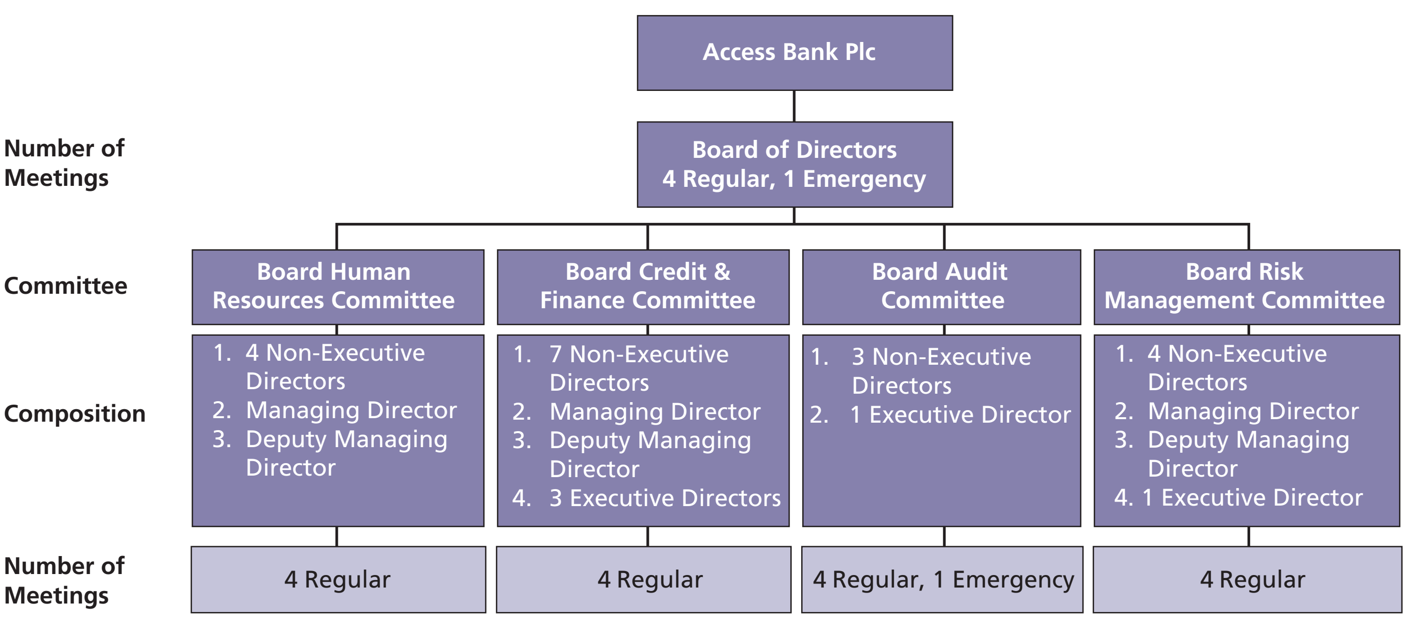
The Standing Committees

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. The Board's four standing committees are: the Board Risk Management Committee, the Board Audit Committee, the Board Human Resources Committee and the Board Credit & Finance Committee. The composition and responsibilities of the Committees are set out below:

Name	Board Audit Committee	Board Risk Management Committee	Board Credit & Finance Committee	Board Human Resources Committee
Mr Gbenga Oyebode[1]	–	–	–	–
Dr Cosmas Maduka[1]	–	–	C	–
Mr Oritsedere Otubu[1]	C	–	M	M
Dr Mahmoud Isa-Dutse[2]	M	C	M	–
Mr Emmanuel Chiejina[2]	–	–	M	C
Dr Adewunmi Desalu[1]	–	M	M	–
Mr Tunde Folawiyo[1]	–	M	M	M
Mrs Mosunmola Belo-Olusoga[1]	M	M	M	M
Mr Aigboje Aig-Imoukhuede[3]	–	M	M	M
Mr Herbert Wigwe[3]	–	M	M	M
Mr Taukeme Koroye[3]	M	–	–	–
Mr Okey Nwuke[3]	–	–	M	–
Mr Obeahon Ohiwerei[3]	–	–	M	–
Mr Ebenezer Olufowose[3]	–	M	M	–

Keys
C Chairman of Committee
M Member
– Not a member
1 Non-Executive
2 Independent Non-Executive
3 Executive

Board Committees Composition



Board Audit Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Bank's financial statements and the financial reporting process; the independence and performance of the Bank's internal and external auditors; and the Bank's system of internal control and mechanism for receiving complaints regarding the Board's accounting and operating procedures. The Bank's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The Committee met five times during the 2010 financial year.

Board Risk Management Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements in the Bank. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic reviews of reports provided by management and ensures the appointment of qualified officers to manage the risk function. The Committee evaluates the Bank's risk policies on a periodic basis to accommodate major changes in internal or external environment. The Committee met four times during the 2010 financial year.

Board Credit and Finance Committee

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been approved by the Management Credit Committee. It also acts as a catalyst for credit policy changes. The Committee oversees the administration and effectiveness of, and compliance with, the Bank's credit policies through the review of processes and reports on the recommendation of the Management Credit Committee and any other means as it deems appropriate. The Committee met four times during the 2010 financial year.

Board Human Resources Committee

The Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the Directors and employees of the Bank. Specifically, the Committee is responsible for determining and executing the processes for Board appointments, recommending appropriate remuneration for Directors (both Executive and non-Executive) and approving remuneration for all other members of staff. The objectives of the Committee include ensuring that the Bank's human resources are maximised to support the long term success of the institution and to protect the welfare of all employees. The Committee met four times during the 2010 financial year.

Attendance at Board Committee Meetings

During the financial year ended 31 December 2010, the various committees of the Board of Directors held four meetings each, excluding the Board Audit Committee which held five meetings. Directors' attendance at these meetings are shown below:

		Meeting				
S/N	**Names of Directors**	**BoD**	**BRMC**	**BCFC**	**BHRC**	**BAC**
1	Mr Gbenga Oyebode	5	N/A	N/A	N/A	N/A
2	Dr Cosmas Maduka	2	N/A	3	N/A	N/A
3	Dr Mahmoud Isa–Dutse	5	4	4	N/A	5
4	Dr Adewunmi Desalu	5	1*	4	N/A	N/A
5	Mr Oritsedere Otubu	5	N/A	4	4	5
6	Mr Emmanuel Chiejina	5	N/A	4	4	N/A
7	Mr Tunde Folawiyo	5	4	4	4	N/A
8	Mrs Mosunmola Belo-Olusoga	5	4	4	4	5
9	Mr Aigboje Aig-Imoukhuede	5	4	4	4	2***
10	Mr Herbert Wigwe	5	4	4	4	2***
11	Mr Taukeme Koroye	4	3**	N/A	N/A	5
12	Mr Okey Nwuke	5	3**	4	N/A	N/A
13	Mr Obeahon Ohiwerei	5	3**	4	N/A	N/A
14	Mr Ebenezer Olufowose	5	4	4	N/A	N/A

Key

BoD – Board of Directors' meeting
BRM – Board Risk Management Committee meeting
BCF – Board Credit and Finance Committee meeting
BHR – Board Human Resources Committee meeting
BAC – Board Audit committee meeting
* – Became member of BRMC as from October 2010
** – Ceased being a member of BRMC as from July 2010
*** – Ceased being a member of BAC as from July 2010

Executive Committee

The Executive Committee (EXCO) is made up of the Group Managing Director as Chairman, the Group Deputy Managing Director and all the Executive Directors as members. The Committee meets to deliberate and take policy decisions on the management of the Bank. It is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.

Management Committees

These are standing committees made up of senior management of the Bank. The Committees are also risk driven and are set up to identify, analyse and make recommendations on risks pertaining to the Bank's day-to-day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and also provide input to the various Board Committees in addition to ensuring the effective implementation of risk polices. These Committees meet as frequently as risk issues occur and take actions and decisions within the confines of their respective powers.

The management committees include: Management Credit Committee, Asset and Liabilities Committee, Enterprise Risk Management Committee, Criticised Assets Committee and IT Steering Committee.

Statutory Audit Committee

In compliance with Section 359 of the Companies and Allied Matters Act 1990, the Bank constituted a Standing Shareholders Audit Committee made up of three non-executive directors and three shareholders. The composition of the Committee is as set out below.

1	Mr Oluwatoyin Eleoramo	Shareholder	Chairman
2	Mr Alashi Steven Ola	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr Oritsedere Otubu	non-Executive Director	Member
5	Dr Cosmas Madukanon	non-Executive Director	Member
6	Mrs Mosunmola Belo-Olusoganon	non-Executive Director	Member

Succession Planning

Access Bank has a Succession Planning Policy which was approved by the Board at its 112th meeting held on 16 November, 2007. Succession planning is aligned to the Bank's performance management process. The policy identifies fifteen (15) key positions, including Country Managing Director positions for all Access Bank operating entities in respect of which there will be formal succession planning. The Bank's policy provides that potential candidates for the other positions shall be identified at the beginning of each financial year.

Code of Ethics

Access Bank has in place, a "Code of Conduct" which specifies expected behaviour of its employees. The Code requires that each Bank staff shall read the Code of Conduct document and sign a confirmation that they have read and understood the document upon employment. In addition, there is a re-affirmation process that requires each member of staff to confirm understanding of and compliance with the Code of Conduct at least once a year. An affirmation exercise was held in the 2010 financial year in accordance with the Bank's policy. The Bank also has a Compliance Manual which provides guidelines for addressing violations/ breaches and ensuring enforcement of discipline with respect to staff conduct. The Bank has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head of Human Resources is responsible for the design and implementation of the "Code of Conduct" while the Chief Compliance Officer is responsible for monitoring and ensuring compliance.

Whistle Blowing

Access Bank has a whistle blowing policy which provides the procedure for reporting suspected breaches of the Bank's internal policies, laws and regulations. There is a special e-mail address and telephone hotline dedicated for whistle blowing. The Bank's Chief Compliance Officer (CCO) is responsible for monitoring and reporting on whistle blowing.

Remuneration Report

The Report on Directors' remuneration is as set out in page106.

Independent Auditor's Report
For the year ended 31 December 2010

KPMG Professional Service
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Lagos, Nigeria

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To the Members of Access Bank Plc

Report on the Financial Statements

We have audited the accompanying financial statements of Access Bank Plc ("the Bank") and its subsidiary companies (together "the Group"), which comprise the balance sheets as at 31 December 2010, and the profit and loss accounts, statements of cash flows and value added statements for the year then ended, and the statement of accounting policies, notes to the financial statements, the Group's four year financial summary and the Bank's five year financial summary, as set out on pages 87 to 139.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Access Bank Plc ("the Bank") and its subsidiaries (together "the Group") as at 31 December 2010, and of the Group's and Bank's financial performance and cash flows for the year then ended in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria, Banks and Other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and the Bank's balance sheet and profit and loss account are in agreement with the books of accounts.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act of Nigeria and Central Bank of Nigeria circular BSD/1/2004

i. The Bank was charged a penalty for the contravention of the provisions of a Central Bank of Nigeria's Circular during the year ended 31 December 2010. Details are disclosed in note 40 of the financial statements.

ii. Related party transactions and balances are disclosed in note 43 of the financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

KPMG

Lagos, Nigeria
21 March 2011

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
993381

A summary of the principal accounting policies, applied consistently throughout the current year and preceding annual financial years is set out below.

(a) Basis of preparation

(i) These financial statements are the consolidated financial statements of Access Bank Plc and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention modified by the revaluation of certain investment securities, and comply with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board (NASB), the requirements of the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria, and Relevant Central Bank of Nigeria guidelines and circulars.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(ii) *Reporting year*

These Group financial statements have been prepared for twelve-month year ended 31 December 2010 while the comparative year are for the nine-month year ended 31 December 2009.

(b) Basis of consolidation

(i) *Subsidiaries*

Subsidiary undertakings, which are those companies in which the Bank, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over their operations, have been consolidated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Bank. Separate disclosure is made for non-controlling interest.

The consolidated financial statements combine the financial statements of Access Bank Plc ("the Bank") and its subsidiaries ("the Group") wherein there is majority shareholding and/or control of the Board of Directors and management. The consolidated subsidiaries are Access Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank (UK) Limited, Access Bank (Ghana) Limited, Access Bank Rwanda, FinBank Burundi, Access Bank Cote d' Ivoire, Access Bank (R.D. Congo), United Securities Limited, Access Investment and Securities Limited and Access Homes and Mortgages Limited.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated in preparing the Group financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(ii) *Associates*

Associates are those entities in which the Bank has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting and are recognised at cost less impairment in the Bank's separate financial statements.

The Group's share of the associates' post acquisition profits or losses is recognised in the profit and loss accounts. Its share of post acquisition reserves is recognised in reserves. The cumulative post acquisition investments are adjusted against the carrying amount of the investments.

When the Group's share of losses equals or exceeds its interest in an associate including any other unsecured receivables, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate. Distributions received from an associate are applied to reduce the carrying amount of the investment. Adjustments are also made to the carrying amount of the investment for changes in the Bank's proportionate interest in the associate arising from changes in equity that have not been recognised in the associate's profit and loss account. Such changes include those arising from the revaluation of properties, plant and equipment and from foreign exchange translation differences. The Bank's share of those reserves is recognised directly in the equity of the Bank.

(c) Goodwill on consolidation

Goodwill represents the excess of the purchase consideration over the fair value of the Group's share of the separable net assets of subsidiaries acquired, at the date of the acquisition.

Goodwill is measured at cost, less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently, if events or circumstances indicate that it might have been impaired. Impairment losses are recognised in the profit and loss account in the year in which they arise.

(d) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments.

The business segments are determined by management based on the Bank's internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(e) Foreign currency translation

(i) *Reporting currency*

The consolidated financial statements are presented in Nigerian Naira, which is the Bank's reporting currency.

(ii) *Transactions and balances*

Transactions denominated in foreign currencies are translated into Naira at the rates of exchange ruling at the date of the transaction (or, where appropriate, the rate of exchange in related forward exchange contracts). Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included in the profit and loss account.

(iii) *Group companies*

The results and financial position of all Group entities that have a currency different from the reporting currency are translated into the reporting currency as follows:

– Assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date, except for share capital and pre-acquisition reserves, which are translated at their historical rates;
– Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions, in which case income and expenses are translated at the rates prevailing at the dates of the transactions); and
– All exchange differences arising on consolidation are recognised as translation reserves in shareholders' funds.

When a foreign operation is sold, such exchange differences are recognised in the profit and loss account as part of the gain or loss on sale. Goodwill and other adjustments arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the closing rate.

(f) Income recognition

Credits to the profit and loss account are recognised as follows:

Interest – recognised on an accrual basis except for interest on non-performing credit facilities, which is recognised on a cash basis.

Non-credit-related fees – recognised when the successful outcome of the assignment can be determined and the assignment is considered substantially completed.

Credit-related fees – spread systematically over the tenor of the credit facility where they constitute at least 10% of the projected average annual yield of the facility, otherwise credited to the profit and loss account at the time of occurrence.

Income from advances under finance leases – recognised on a basis that provides a constant yield on the outstanding principal over the lease term.

Commissions and fees – charged to customers for services rendered – recognised at the time the service or transaction is effected.

Investment income – recognised on an accrual basis and credited to the profit and loss account.

Dividend income – recognised when the right to receive the dividend is established.

Financial advisory services, issuing house and registrar fees – recognised over the time the service is provided.

(g) Loans and advances

Loans and advances are stated net of provision for bad and doubtful loans. Classification and provisioning is made in accordance with the Prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria for each account in accordance with the terms of the related facilities as follows:

Non-specialised loans

Interest and/or Principal outstanding for	Classification	Provision
Less than 90 days	Performing	0%
90 days but less than 180 days	Substandard	10%
180 days but less than 360 days	Doubtful	50%
Over 360 days	Lost	100%

Specialised loans

Loans are treated as specialised loans in accordance with the criteria specified in the Prudential Guidelines for Deposit Money Banks in Nigeria. The classifications and provisioning for specialised loans take into consideration the cash flows and gestation periods of the different loan types. Specialised loans, as defined by the Prudential Guidelines for Deposit Money Banks in Nigeria, comprise:

i. Project Finance;
ii. Object Finance;
iii. Income Producing Real Estate;
iv. Commercial Real Estate;
v. Mortgage Loan;
vi. SME Loan;
vii. Agricultural Finance (including farm and non-farm credits); and
viii. Margin Loan.

Project Finance

% of repayment on outstanding obligations due and/or days past due

Classification	% of repayment on outstanding amount due	Days past due for aggregate instalments	% of provision on total outstanding balance	Interest in suspense
Performing		<180 days	0%	0%
Watchlist	60%–75%	>180 days	0%	100%
Substandard	<60%	180 days–2 years	25%	100%
Doubtful	<60%	2–3 years	50%	100%
Very Doubtful	<60%	3–4 years	75%	100%
Lost	<60%	>4 years	100%	100%

Object Financing, Income Producing Real Estate and Commercial Real Estate

Classification	% of repayment on outstanding obligation to amount due	Days past due for aggregate instalments	% of provision on total outstanding balance	Interest in suspense
Performing		<180 days	0%	0%
Watchlist	Between 60% and 75%	>180 days	0%	100%
Substandard	<60%	180 days–1 year	25%	100%
Doubtful	<60%	1–2 years	50%	100%
Very Doubtful	<60%	2–3 years	75%	100%
Lost	<60%	>3 years	100%	100%

Mortgage Loans

Classification	Days past due for mark-up/ interest for short term facilities	% of provision on total outstanding balance	Interest in suspense
Performing	<90 days	0%	0%
Watchlist	90 days	0%	100%
Substandard	>180 days	10%	100%
Doubtful	>1 year		100%
Lost	>2 years	100%	100%

The un-provided balance of mortgage loans classified as doubtful should not exceed 50% of the estimated net realisable value of the related securities

SME Financing – Short term loans

Classification	Days past due for mark-up/interest or principal	% of provision on total outstanding balance	Interest in suspense
Performing	<90 days	0%	0%
Watchlist	90 days	0%	100%
Substandard	90 days–1 year	25%	100%
Doubtful	1–1.5 years	50%	100%
Very Doubtful	1.5–2 years	75%	100%
Lost	>2 years	100%	100%

SME Financing – Long term loans

Classification	Days past due for mark-up/ interest or principal	% of provision on total outstanding balance	Interest in suspense
Performing	<90 days	0%	0%
Watchlist	90 days	0%	100%
Substandard	90 days to 1 year	25%	100%
Doubtful	1 to 2 years	50%	100%
Very Doubtful	2 to 3 years	75%	100%
Lost	>3 years	100%	100%

Agricultural Financing – Short term loans

Classification	Days past due for mark-up/ interest or principal	% of provision on total outstanding balance	Interest in suspense
Performing	<90 days	0%	0%
Watchlist	90 days	0%	100%
Substandard	90 days to 1 year	25%	100%
Doubtful	1 to 1.5 years	50%	100%
Very Doubtful	1.5 year to 2 years	75%	100%
Lost	>2 years	100%	100%

Agricultural Financing – Long term loans

Classification	Days past due for aggregate instalments	% of provision on total outstanding balance	Interest in suspense
Performing	<90 days	0%	0%
Watchlist	90 days	0%	100%
Substandard	90 days to 1 year	25%	100%
Doubtful	1 to 2 years	50%	100%
Very Doubtful	2 to 3 years	75%	100%
Lost	>3 years	100%	100%

Unrealised mark-up/interest, in respect of non-performing loans and advances are credited into interest in suspense account, until they are realised in cash. Future interests charged on the accounts are credited to the same account until such facilities becomes performing.

Margin Financing

All margin facilities are assessed for impairment by marking the underlying securities to market. The excess of loan amounts above the market value of the underlying securities is provisioned and charged to profit loss account to accommodate actual and expected losses on the facility amounts and is reported in specific provisions for margin loans.

Haircut adjustments

The Bank holds collateral against loans and advances to customers in the form of executed and registered mortgage interests over property, and other qualifying securities. No provision is recognised on loans and advances to customers to the extent of haircut adjustments determined based on the weighted value of qualified collateral held against loans and advances to customers classified as lost for a maximum period of one year as prescribed by the prudential guidelines.

The weighted value of qualified collateral is adjusted to take account of any possible future fluctuations in the value of the collateral, occasioned by market movement.

The following haircut adjustments are applicable on all loan types classified as lost:

Description of Collateral	Haircut adjustments weightings
Cash	0%
Treasury bills and government securities eg bonds	0%
Quoted equities and other traded securities	20%
Bank Guarantees and Receivables of blue chip companies	20%
Residential legal mortgage	50%
Commercial legal mortgage	50%

General provision

A minimum of 1% general allowance is made on all loans and advances, which have not been specifically provided for. The Bank did not make a general provision on loans and advances in current year. This is in line with the revised Prudential Guidelines and CBN circular BSD/DIR/GEN/CIR/04/013 dated 7 January 2011 and the Nigerian Accounting Standards Board (NASB) publication dated 21 March 2011, which stated that a 1% general provision on loans and advances is not required in the current year for Deposit Money Banks, whose loan portfolios have been subjected to extensive review by the CBN and the Nigeria Deposit Insurance Corporation (NDIC) since the beginning of the current CBN reforms up till 31 December 2010.

Write-off

Bad debts are written off against the related provision for bad and doubtful debts when it is determined that they are uncollectible. Subsequent recoveries on bad debts written off are credited to the profit and loss account. A facility is written off only when full provision has been made on such a facility for at least one year.

(h) Other assets

Prepayments, receivables and other sundry debit balances are classified as other assets and are stated at cost net of allowances for amounts doubtful of recovery.

Allowances for doubtful accounts are made in line with the provisions of the CBN Prudential Guidelines for receivables whose collection has been identified by management as doubtful. When a receivable is deemed not collectible, it is written off against the related allowance and subsequent recoveries are credited to the profit and loss account.

(i) Investment securities

The Group classifies its investments into the following categories: short term investments, long term investments,

investments in subsidiaries and investment in associates. Investment securities (short-term and long-term investments) are initially recognised at cost and classified upon initial recognition.

(i) *Short term investments*

Short term investments are investments that management intends to hold for not more than one year. Debt and equity securities intended to be held for a period not exceeding one year and investments held for trading are classified as short term investment. Investments held for trading are those investments that the Group acquires principally for the purpose of selling in the near term, or holds as part of a portfolio that is managed together for short term profit taking.

Short term investments in treasury bills and other marketable securities are stated at net realisable value. The gain/loss on revaluation is credited/charged to profit and loss account during the year. Original cost is disclosed.

(ii) *Long term investments*

Long term investments are investment securities other than short term investments. Long term investments may include debt and equity securities.

Long term investment in marketable securities are carried at the lower of cost and net realisable value. Any discount or premium arising on bonds is included in the original cost of investment and is amortised over the period of purchase to maturity. Market value of long term investments is disclosed. Interest earned whilst holding investment securities is reported as interest income. Dividends receivable are included separately in dividend income when a dividend is declared.

(iii) *Investments in subsidiaries*

Investments in subsidiaries are carried in the Bank's balance sheet at cost less provisions for impairment losses. Where, in the opinion of the Directors, there has been impairment in the value of an investment, the loss is recognised as an expense in the year in which the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

(iv) *Investments in associates*

Investments in associates are carried in the Bank's balance sheet at cost less impairment.

On disposal of an investment in associates, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

(j) Investment property

An investment property is an investment in land or buildings held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the Group. An occupation of more than 15% of the property is considered substantial.

Investment properties are carried in the balance sheet at their market value and revalued yearly on a systematic basis at least once in every three years. Investment properties are not subject to periodic charge for depreciation.

When there has been a decline in value of an investment property, the carrying amount of the property is written down to recognise the loss. Such a reduction is charged to the profit and loss account. Reductions in carrying amount are reversed when there is an increase, following a revaluation in accordance with the Group's policy, in the value of the investment property, or if the reasons for the reduction no longer exist.

An increase in carrying amount arising from the revaluation of investment property is credited to equity as revaluation surplus. To the extent that a decrease in carrying amount offsets a previous increase, for the same property that has been credited to revaluation surplus and not subsequently reversed or utilised, it is charged against that revaluation surplus rather than the profit and loss account.

An increase on revaluation which is directly related to a previous decrease in carrying amount for the same property that was charged to the profit and loss account, is credited to profit and loss account to the extent that it offsets the previously recorded decrease.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit and loss account.

Investment properties are disclosed separately from the property and equipment used for the purposes of the business.

(k) Property and equipment

All property and equipment are initially recorded at cost. They are subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Construction cost in respect of offices is carried at cost as capital work in progress. On completion of construction, the related amounts are transferred to the appropriate category of property and equipment.

Depreciation is calculated on a straight line basis to write down the cost of property and equipment to their residual values over their estimated useful lives as follows:

Leasehold improvements	Over the lease year
Land and buildings	2%
Furniture, fixtures and equipment	20%
Computer hardware	33.33%
Motor vehicles	25%

Capital work in progress, which represents fixed assets under construction, is not depreciated.

Assets that are subject to depreciation 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 value less costs to sell or the value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. Gains and losses are included in the profit and loss account for the year.

(l) Leases

The Group classifies a lease as a finance lease if the following conditions are met:

(a) The lease is non-cancellable, and

(b) Any of the following is applicable

i. The lease term covers substantially (80% or more) the estimated useful life of the asset or,

ii. The net present value of the lease at its inception using the minimum lease payments and implicit interest rate is equal to or greater than the fair value of the leased asset or,

iii. The lease has a purchase option which is likely to be exercised.

A lease that does not qualify as a finance lease as specified above is classified as an operating lease.

A Group company can be a lessor or a lessee in either a finance lease or an operating lease.

(i) *Where a Group Company is the lessor*

When assets are held subject to a finance lease, the transactions are recognised in the books of the Group at the net investments in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease.

The discount is recognised as unearned in the books of the Group and amortised to income over the life of the lease on a basis that reflects a constant rate of return on the Group's net investment in the lease.

Finance leases are treated as risk assets and the net investment in the lease are subject to the provisioning policy listed in note (g) above.

When assets are held subject to an operating lease, the assets are recognised as property and equipment based on the nature of the asset and the Group's normal depreciation policy for that class of asset applies. Lease income is recognised on a straight line over the lease term. All indirect costs associated with the operating lease are charged as incurred to the profit and loss account.

(ii) *Where a Group Company is the lessee*

When the assets leased are subject to operating lease, the total payments made under operating leases are charged to profit and loss on a systematic basis in line with the time pattern of the Group's benefit.

When the assets are subject to a finance lease, the Group accounts for it by recording the lease as an acquisition of an asset and the incurrence of a liability.

At the beginning of the lease term, the Group records the initial asset and liability at amounts equal to the fair value of the leased asset less the present value of any un-guaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease. The discount factor to apply in calculating the present value of the un-guaranteed residual value accruing to the lessor is the interest rate implicit in the lease.

Where the Group cannot determine the fair value of the leased asset at the inception of the lease or is unable to make a reasonable estimate of the residual value of the lease without which the interest rate implicit in the lease could not be computed, the initial asset and liability are recorded at amounts equal to the present value.

The leased asset is depreciated or the rights under the leased asset are amortised in a manner consistent with the Group's own assets.

The minimum lease payment in respect of each accounting year is allocated between finance charge and the reduction of the outstanding lease liability. The finance charge is determined by applying the rate implicit in the lease to the outstanding liability at the beginning of the year.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with CBN, balances due from other banks and treasury bills.

(i) *Cash and balance with CBN*

Cash comprises cash on hand, demand deposits denominated in Naira and foreign currencies and cash balances with the Central Bank of Nigeria (CBN). Cash equivalents are short term, highly liquid instruments which are:

– Readily convertible into cash, whether in local or foreign currency; and
– So near to their maturity dates as to present insignificant risk of changes in value as a result of changes in interest rates.

(ii) *Due from other banks*

Due from other banks represents cash held in other banks in Nigeria and banks outside Nigeria.

(n) Provisions

A provision is recognised where, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(o) Off balance sheet transactions/contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated.

Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised, rather they are disclosed in the financial statements when they arise.

Transactions to which there are no direct balance sheet risks to the Group are reported and accounted for as off balance sheet transactions and comprise:

(i) *Acceptances*

Acceptances are undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be settled simultaneously with the reimbursement from customers.

Acceptances, which meet the conditions, set out in Central Bank of Nigeria (CBN) Guidelines on the treatment of bankers acceptances and commercial papers are accounted for and disclosed as contingent liabilities. The income and expense relating to these acceptances are recognised and reported net in the financial statements.

(ii) *Guarantees and performance bonds*

The Bank provides financial guarantees and bonds to third parties on the request of customers in form of bid and performance bonds or advance payment guarantees. These agreements have fixed limits and generally do not extend beyond the year stated in each contract.

The amounts reflected in the financial statements for bonds and guarantees represent the maximum accounting loss that would be recognised at the balance sheet dates if counterparties failed completely to perform as contracted.

(iii) *Commitments*

Commitments to extend credit or deliver on sales or purchases of foreign exchange in future are recognised as off balance sheet engagements.

(iv) *Letters of credit*

The Bank provides letters of credit to guarantee the performance of customers to third parties. Confirmed letters of credit for which the customer has not provided cash cover are reported off balance sheet.

(p) Retirement benefits

Pension costs

The Group operates a funded, defined contribution pension scheme for employees. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit and loss account on an annual basis.

(q) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. Currently enacted tax rates are used to determine deferred income tax.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unutilised tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Current taxation

Income tax expenses/credits are recognised in the profit and loss account. Current income tax is the expected tax payable on the taxable income for the year, using statutory tax rates at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(s) Debt securities

Debt securities are recorded at face value less direct issue costs. Repayments are deducted from the face value while direct issue costs are amortised over the tenor of the underlying instrument. Interest costs are recognised in the profit and loss account over the duration of the instrument.

(t) Ordinary share capital

Share issue costs

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Dividends on ordinary shares are appropriated from retained earnings and recognised as a liability in the year in which they are declared. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

(v) Sale of loans or securities

A sale of loans or securities without recourse to the Group is accounted for as a disposal and the assets excluded from the balance sheet.

Profits or losses on sale of loans or securities without recourse to the Group are recognised by the Group when the transaction is completed.

The Group regards a sale of loans or securities as without recourse, if it satisfies all the following conditions. Any sale not satisfying these conditions will be regarded as with recourse:

- Control over the economic benefits of the asset must be passed on to the buyer;
- The seller can reasonably estimate any outstanding cost; and
- There must not be any repurchase obligations.

A sale or transfer of loans or securities with recourse where there is an obligation to, or an assumption of, repurchase is not treated as a sale, and the asset remains on the Group's balance sheet, with any related cash received recognised as a liability.

Profit arising from sale or transfer of loan or securities with recourse to the seller is amortised over the remaining life. However, losses are recognised as soon as they can be reasonably estimated.

(w) Derivative financial instruments

A derivative is a financial instrument whose value changes in response to the change in an underlying variable. It requires little or no initial net investment relative to other types of contracts that have similar responses to changes in market conditions and that are settled at a future date.

The Group engages in interest rate and cross currency swap transactions with counterparties. The swaps are initially recognised in the balance sheet at fair value, with a corresponding debit or credit as applicable in the profit and loss account. Any changes in fair value are recognised immediately in the profit and loss account.

The Group enters into sales or purchase of securities under agreements to deliver such securities at a future date (forward contracts) at a fixed price. Securities sold under a forward contract agreement are accounted for as payable or receivable on execution of the contracts. Fees earned on the transaction are accounted for as fee income in the profit and loss account.

(x) Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted number of ordinary shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted number of ordinary shares adjusted for any bonus shares issued.

(y) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Consolidated Profit and Loss Account
For the year ended 31 December 2010

	Notes	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
		N'000	N'000	**N'000**	N'000
Gross Earnings		**91,142,064**	84,980,554	**79,065,123**	75,847,752
Interest and similar income	3	**65,787,157**	66,467,167	**59,388,433**	61,836,721
Interest and similar expense	4	**(21,620,722)**	(30,241,144)	**(19,538,807)**	(28,722,991)
Net interest income		**44,166,435**	36,226,023	**39,849,626**	33,113,730
Fee and commission income	5	**14,435,635**	9,700,659	**11,180,546**	7,703,062
Fee and commission expense		**–**	–	**–**	–
Foreign exchange income	6	**3,369,743**	2,865,844	**1,990,505**	1,699,349
Income from investment	7(a)	**6,776,285**	4,649,890	**6,416,458**	4,470,014
Other income	7(b)	**773,244**	1,296,994	**89,181**	138,606
Operating income		**69,521,342**	54,739,410	**59,526,316**	47,124,761
Operating expenses	8	**(48,644,315)**	(35,914,063)	**(38,797,403)**	(26,253,003)
Loan loss expenses	9(a)	**(4,524,369)**	(16,650,665)	**(2,917,513)**	(16,171,832)
Allowance for other assets and investments	9(b)	**(183,788)**	(4,880,816)	**(142,816)**	(4,658,203)
Group's share of associate's loss	20	**–**	(775,431)	**–**	–
Profit/(loss) before taxation		**16,168,870**	(3,481,565)	**17,668,584**	41,723
Taxation	10	**(5,100,749)**	(920,601)	**(4,737,143)**	(922,475)
Profit/(loss) after taxation		**11,068,121**	(4,402,166)	**12,931,441**	(880,752)
Non-controlling interest	34	**176,442**	207,584	**–**	–
Profit/(loss) attributable to equity holders		**11,244,563**	(4,194,582)	**12,931,441**	(880,752)
Appropriated as follows:					
Transfer to statutory reserve	33	**1,939,716**	–	**1,939,716**	–
Interim dividend paid		**3,577,650**	–	**3,577,650**	–
Transfer to general reserve		**5,727,197**	(4,194,582)	**7,414,075**	(880,752)
		11,244,563	(4,194,582)	**12,931,441**	(880,752)
Earnings/(loss) per share – Basic (k)	35	**63**	(26)	**72**	(5)
Earnings/(loss) per share – Adjusted (k)	35	**63**	(23)	**72**	(5)
Declared dividend		**3,577,650**	11,349,982	**3,577,650**	11,349,982
Dividend declared per share (k)		**20**	70	**20**	70

The Board of Directors have proposed a dividend a 30 kobo per share on the issued share capital of 17,888,252,000 ordinary shares of 50k each subject to the approval of the shareholders at the next annual general meeting.

The statement of accounting policies on pages 88 to 95 and notes on pages 99 to 136 form an integral part of these financial statements.

Consolidated Balance Sheet
As at 31 December 2010

	Notes	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
		N'000	N'000	N'000	N'000
Assets					
Cash and balances with Central Bank of Nigeria	11	**25,395,293**	64,592,701	**17,648,392**	58,242,924
Treasury bills	12	**35,857,812**	17,207,973	**11,618,000**	10,926,086
Due from other banks	13	**103,182,124**	93,177,107	**72,177,480**	76,191,705
Loans and advances to customers	14	**429,782,319**	383,778,168	**403,178,957**	360,387,649
On-lending facilities	15	**22,685,778**	3,131,963	**22,685,778**	3,131,963
Advances under finance lease	16	**3,084,393**	4,249,973	**2,741,092**	3,774,020
Investment securities	17	**119,665,960**	75,057,381	**116,811,620**	72,732,689
Investment in subsidiaries	18	–	–	**24,261,123**	23,299,346
Investment properties	19	**12,943,078**	1,404,000	**12,943,078**	1,404,000
Investment in associates	20	**–**	300,155	**–**	145,000
Other assets	21	**23,287,133**	17,292,653	**22,172,504**	13,677,803
Deferred tax asset	10	**557,050**	1,739,551	–	1,338,268
Property and equipment	22	**25,390,076**	27,944,990	**19,161,511**	20,154,091
Equipment on lease	23	**1,561,045**	2,169,175	**1,561,045**	2,169,175
Goodwill	24	**1,431,711**	1,738,148	**–**	–
Total Assets		**804,823,772**	693,783,938	**726,960,580**	647,574,719
Liabilities					
Customer deposits	25	**486,925,846**	438,558,997	**440,542,115**	405,836,092
Due to other banks	26	**64,039,353**	43,216,841	**34,742,938**	39,025,683
On-lending facilities	27	**22,685,778**	3,131,964	**22,685,778**	3,131,964
Debt securities in issue	28	**–**	2,604,277	**–**	2,604,277
Current income tax	10	**3,492,485**	6,982,029	**2,959,976**	6,736,626
Other liabilities	29	**51,889,908**	30,905,783	**43,169,762**	17,089,054
Deferred taxation	10	**419,945**	37,999	**355,197**	–
Total Liabilities		**629,453,315**	525,437,890	**544,455,766**	474,423,696
Net Assets		**175,370,457**	168,346,048	**182,504,814**	173,151,023
Capital and Reserves					
Share capital	30	**8,944,126**	8,131,024	**8,944,126**	8,131,024
Capital reserve	31	**3,489,080**	3,489,080	**3,489,080**	3,489,080
Share premium	32	**146,160,837**	146,160,837	**146,160,837**	146,160,837
Other reserves	33	**16,077,082**	9,706,816	**23,910,771**	15,370,082
Equity attributable to equity holders of the Parent		**174,671,125**	167,487,757	**182,504,814**	173,151,023
Non-controlling interest	34	**699,332**	858,291	–	–
Total Equity		**175,370,457**	168,346,048	**182,504,814**	173,151,023
Acceptances, bonds, guarantees and other obligations for the account of customers	36	**238,881,422**	138,055,511	**194,451,931**	125,636,911
Total Assets and Contingent		**1,043,705,194**	831,839,449	**921,412,511**	773,211,630

The statement of accounting policies on pages 88 to 95 and financial statements and notes on pages 99 to 136 were approved by the Board of Directors on 21 March 2011 and signed on its behalf by:

Mr Aigboje Aig-Imoukhuede

(Directors)

Mr Herbert Wigwe

Statement of Cash Flows
For the year ended 31 December 2010

	Notes	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
		N'000	N'000	**N'000**	N'000
Operating activities					
Net cash flow from operating activities					
before changes in operating assets	37	**26,341,562**	23,518,668	**24,982,637**	24,433,633
Changes in operating assets	38	**48,486,160**	1,106,800	**17,565,678**	(12,019,349)
Income tax paid	10 (b)	**(7,056,504)**	(2,097,088)	**(6,820,328)**	(1,991,133)
Net cash inflow from operating activities		**67,771,217**	22,528,379	**35,727,987**	10,423,151
Investing activities					
Purchase of fixed assets	22	**(4,390,231)**	(8,523,042)	**(3,375,639)**	(5,294,625)
Proceeds from sales of fixed assets		**1,686,480**	311,697	**725,105**	90,179
Purchase of equipment on lease	23	**(152,000)**	(1,075,781)	**(152,000)**	(1,075,781)
Proceeds from sales of equipment on lease		**45,331**	–	**45,331**	–
Proceeds from sale of investment properties		**240,845**	–	**240,845**	–
Purchase of investment properties	19	**(107,832)**	(1,404,000)	**(107,832)**	(1,404,000)
Purchase of long term investment		**(98,629,130)**	–	**(96,980,286)**	–
Proceeds from disposal of long term investments		**28,453,034**	17,078,001	**26,627,498**	19,021,979
Dividend income received		**199,489**	184,955	**199,440**	184,955
Additional investment in subsidiaries		**–**	–	**(1,083,097)**	(2,908,736)
Net cash outflow from investing activities		**(72,654,014)**	6,571,830	**(73,860,635)**	8,613,971
Financing activities					
Dividend paid during the year		**(3,577,650)**	(11,349,982)	**(3,577,650)**	(11,349,982)
Interest paid on borrowings		**(186,525)**	(605,526)	**(172,508)**	(605,526)
Repayment of borrowings		**(2,604,277)**	(5,700,565)	**(2,604,277)**	(5,700,565)
Deposit for shares by minority		**140,856**	606,264	**–**	–
Net cash inflow from financing activities		**(6,227,596)**	(17,049,809)	**(6,354,435)**	(17,656,073)
Net increase in cash and cash equivalents		**(11,110,392)**	12,050,400	**(44,487,083)**	1,381,049
Cash and cash equivalents, beginning of year		**171,981,991**	159,989,972	**142,364,924**	140,983,875
Effect of exchange rate fluctuations on foreign cash held		**(2,401)**	(58,382)	**–**	–
Cash and cash equivalent, end of year	39	**160,869,198**	171,981,990	**97,877,841**	142,364,924

The statement of accounting policies on pages 88 to 95 and notes on pages 99 to 136 form an integral part of these financial statements.

1 General information

The Bank was incorporated as a private limited liability company on 8 February 1989 and commenced business on 11 May 1989. The Bank was converted to a public limited liability company on 24 March 1998 and its shares were listed on the Nigerian Stock Exchange on 18 November 1998. The Bank was issued a universal banking licence by the Central Bank of Nigeria on 5 February 2001.

The principal activity of the Bank continues to be the provision of money market activities, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.

The Bank has nine foreign and three local subsidiaries namely Bank (Gambia) Limited, Access Bank (Sierra Leone) Limited, Access Bank (Zambia) Limited, The Access Bank UK Limited, Access Bank (Ghana) Limited, Access Bank (Rwanda) SA, FinBank Burundi, Access Bank Cote D'ivoire, Access Bank (RD Congo), United Securities Limited, Access Investment and Securities Limited and Access Homes and Mortgages Limited. It also has one associated company, Marina Securities Limited which was disposed of during the year.

2 Segment analysis

(a) Business segment

The Group operates the following main business segments:

Institutional banking – The Institutional Banking division provides bespoke comprehensive banking products and services to corporate organisations to meet the needs of this segment of the Bank's customers.

Commercial banking – The Commercial Banking division has presence in all major cities in the country. It provides commercial banking products and services to the middle and retail segments of the Nigerian market.

Investment banking – The Investment Banking division provides innovative financing and risk management solutions and advisory services for the Bank's corporate and institutional customers. The Group is also responsible for formulation and implementation of financial market products for the Bank's customers.

Retail banking – The Retail Banking division provides private banking services, private customer current accounts, savings accounts deposits, investment savings products, custody, credit and debit cards and customer loans.

Retail banking includes loans, deposits and other transactions and balances with retail and public sector customers.

(b) (i) The business segment result for 31 December 2010 is as follows

	Institutional Banking	Commercial Banking	Investment Banking	Retail Banking	Unallocated segments	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross earnings						
Derived from external customers	23,112, 512	50,653,411	11,739,149	5,308,332	328,660	91,142,064
Derived from other segments	(5,359,986)	4,937,686	(57,473)	479,772	–	–
	17,752,526	**55,591,097**	**11,681,676**	**5,788,104**	**328,660**	**91,142,064**
Interest and similar expenses	(12,414,797)	(7,279,098)	(1,183,690)	(655,399)	(87,738)	(21,620,722)
	5,337,728	**48,311,999**	**10,497,986**	**5,132,706**	**240,922**	**69,521,342**
(Loss)/profit on ordinary activities before taxation	(4,149,172)	10,292,681	8,217,424	1,981,467	(173,530)	16,168,870
Income tax expense						(5,100,749)
Profit after tax						**11,068,121**
Other segment information						
Depreciation	(637,829)	(1,649,121)	(181,498)	(637,168)	27,784	(3,077,832)
Share of associate's loss	**–**	**–**	**–**	**–**	**–**	**–**
Assets and Liabilities						
Tangible segment assets	329,713,240	231,625,398	224,719,553	12,607,718	6,157,862	804,823,772
Unallocated segment assets					–	–
Total Assets	**329,713,240**	**231,625,398**	**224,719,553**	**12,607,718**	**6,157,862**	**804,823,772**
Segment liabilities	174,339,498	361,495,960	51,595,603	35,409,323	6,612,930	629,453,315
Unallocated segment liabilities	–	–	–	–	–	–
Total Liabilities	**174,339,498**	**361,495,960**	**51,595,603**	**35,409,323**	**6,612,930**	**629,453,315**
Net Assets	**155,373,742**	**(129,870,562)**	**173,123,950**	**(22,801,605)**	**(455,068)**	**175,370,457**

(b) (ii) The business segment result for 31 December 2009 is as follows

	Institutional Banking	Commercial Banking	Investment Banking	Retail Banking	Unallocated segments	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Gross earnings						
Derived from external customers	43,653,445	22,504,791	8,040,742	9,920,200	861,376	84,980,554
Derived from other segments	(4,499)	(1,052)	–	5,551	–	–
	43,648,946	**22,503,739**	**8,040,742**	**9,925,751**	**861,376**	**84,980,554**
Interest and similar expenses	(25,734,523)	(1,380,628)	(694,717)	(2,427,280)	(3,996)	(30,241,144)
	17,914,423	**21,123,111**	**7,346,025**	**7,498,471**	**857,380**	**54,739,410**
Profit on ordinary activities before taxation	(4,721,564)	(1,832,910)	2,665,704	162,986	260,050	(3,481,565)
Income tax expense						(920,601)
Loss after tax						**(4,402,166)**
Other segment information						
Depreciation	468,734	2,318,005	875,451	224,525	30,088	3,916,803
Share of associate's profit					(775,431)	(775,431)
Assets and Liabilities						
Tangible segment assets	357,909,724	259,071,254	45,508,749	23,504,020	7,790,191	693,783,938
Unallocated segment assets	–	–	–	–	–	–
Total Assets	**357,909,724**	**259,071,254**	**45,508,749**	**23,504,020**	**7,790,191**	**693,783,938**
Segment liabilities	173,252,050	264,996,586	21,814,098	59,361,792	6,013,364	525,437,890
Unallocated segment liabilities	–	–	–	–	–	–
Total Liabilities	**173,252,050**	**264,996,586**	**21,814,098**	**59,361,792**	**6,013,364**	**525,437,890**
Net Assets	**184,657,674**	**(5,925,332)**	**23,694,651**	**(35,857,772)**	**1,776,827**	**168,346,048**

(2) (c) By geographical segments

The Group's business is organised along three (3) main geographical areas:

(i) Nigeria

(ii) Rest of Africa

(iii) Europe

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged on these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal changes and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

2 (d) Segment report by geography location:

	Nigeria		Europe		Rest of Africa		Total	
	Dec-10 12 months	Dec-09 9 months	**Dec-10 12 months**	Dec-09 9 months	**Dec-10 12 months**	Dec-09 9 months	**Dec-10 12 months**	Dec-09 9 months
	N'000	N'000	**N'000**	N'000	**N'000**	N'000	**N'000**	N'000
External revenue	**79,069,399**	76,129,727	**1,487,491**	554,257	**10,585,174**	8,296,570	**91,142,064**	84,980,554
Revenues from other segments	**–**	–	**–**	–			**–**	–
	79,069,399	76,129,727	**1,487,491**	554,257	**10,585,174**	8,296,570	**91,142,064**	84,980,554
Interest expenses	**(19,272,649)**	(28,209,729)	**(28,842)**	(15,933)	**(2,319,231)**	(2,015,482)	**(21,620,722)**	(30,241,144)
Operating income/(loss)	**59,796,750**	47,919,998	**1,458,649**	538,324	**8,265,943**	6,281,088	**69,521,342**	54,739,410
(Loss)/profit before tax	**17,695,551**	(449,191)	**(187,383)**	(932,353)	**(1,339,298)**	(2,100,021)	**16,168,870**	(3,481,565)
Income tax expense	**(4,822,519)**	(965,423)	**207,269**	–	**(485,499)**	44,822	**(5,100,749)**	(920,601)
(Loss)/profit after tax	**12,873,032**	(1,414,614)	**19,886**	(932,353)	**(1,824,797)**	(2,055,199)	**11,068,121**	(4,402,166)
Other segment information								
Depreciation	**4,304,038**	3,051,378	**77,149**	55,694	**1,066,880**	809,731	**5,448,067**	3,916,803

	Dec-10	Dec-09	**Dec-10**	Dec-09	**Dec-10**	Dec-09	**Dec-10**	Dec-09
Assets and liabilities								
Segment assets	**664,448,397**	637,925,649	**68,075,438**	20,316,511	**72,299,937**	35,541,778	**804,823,772**	693,783,938
Unallocated assets	–	–	–	–	–	–	–	–
Total Assets	**664,448,397**	637,925,649	**68,075,438**	20,316,511	**72,299,937**	35,541,778	**804,823,772**	693,783,938
Segment liabilities	**506,313,843**	472,317,673	**62,865,199**	5,901,347	**60,274,273**	47,218,870	**629,453,315**	525,437,890
Unallocated liabilities	**–**	–	**–**	–	**–**	–	**–**	–
Total Liabilities	**506,313,843**	472,317,673	**62,865,199**	5,901,347	**60,274,273**	47,218,870	**629,453,315**	525,437,890
Net Assets	**158,134,554**	165,607,976	**5,210,239**	14,415,164	**12,025,664**	(11,677,092)	**175,370,457**	168,346,048

3 Interest and similar income

Interest and similar income comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	**Bank 12 months Dec-10**	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
(a) **Source**				
Placement	**1,609,688**	1,802,481	**1,485,891**	1,118,604
Treasury bills and investment securities	**7,337,625**	3,946,092	**4,925,906**	3,614,898
Loans and advances	**56,140,652**	60,161,866	**52,412,711**	56,670,577
Advances under finance leases	**699,192**	556,728	**563,925**	432,642
	65,787,157	66,467,167	**59,388,433**	61,836,721

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
(b) **Geographical location**	**N'000**	N'000	**N'000**	N'000
Earned in Nigeria	**54,357,397**	58,206,337	**54,357,397**	58,118,323
Earned outside Nigeria	**11,429,760**	8,260,830	**5,031,036**	3,718,398
	65,787,157	66,467,167	**59,388,433**	61,836,721

4 Interest and similar expense

Interest and similar expense comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
(a) **Sources**	**N'000**	N'000	**N'000**	N'000
Current accounts	**962,598**	1,135,818	**879,797**	1,028,010
Savings accounts	**111,719**	3,324,088	**41,112**	96,499
Time deposits	**16,030,106**	23,213,168	**14,294,944**	23,820,282
Inter-bank takings	**2,826,620**	1,468,049	**2,808,317**	2,742,841
Borrowed funds	**186,525**	605,526	**172,508**	605,526
Securities dealing	**1,503,154**	494,495	**1,342,129**	429,833
	21,620,722	30,241,144	**19,538,807**	28,722,991
(b) **Geographical location**				
Paid in Nigeria	**17,215,790**	26,659,903	**17,215,790**	26,655,908
Paid outside Nigeria	**4,404,932**	3,581,241	**2,323,017**	2,067,083
	21,620,722	30,241,144	**19,538,807**	28,722,991

5 Fees and commission income

Fees and commission income comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Credit related fees	**1,035,942**	252,891	**355,350**	145,598
Commission on turnover	**2,443,433**	1,836,336	**2,276,090**	1,733,891
Remittance fees	**293,582**	55,983	**181,708**	55,983
Letters of credit commission and fees	**2,171,186**	435,545	**1,043,849**	435,545
Facility management fees	**4,767,211**	2,775,699	**4,215,262**	2,775,699
Other fees and commission	**3,724,281**	4,344,205	**3,108,287**	2,556,346
	14,435,635	9,700,659	**11,180,546**	7,703,062

6 Foreign exchange income

Foreign exchange income comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Foreign currency trading	**3,035,497**	3,052,468	**1,886,858**	1,699,349
Exchange gain/(loss)	**334,246**	(186,624)	**103,647**	–
	3,369,743	2,865,844	**1,990,505**	1,699,349

7(a) Income from investments

Income from investments comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Dividend income	**199,489**	122,812	**199,440**	184,955
Profit on sale of securities	**5,625,019**	3,964,130	**5,277,678**	3,886,020
Rental income	**951,777**	562,948	**939,340**	399,039
	6,776,285	4,649,890	**6,416,458**	4,470,014

7(b) Other income

Other income comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	N'000	N'000
Derivative gain	–	113,900	–	113,900
Gain on disposal of fixed assets	127,552	124,840	88,214	24,706
Other income	645,692	1,058,254	967	–
	773,244	1,296,994	89,181	138,606

8 Operating expenses

(a) (i) Analysis of operating expenses

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	N'000	N'000
Staff salaries and allowances	15,616,036	10,165,567	11,542,019	6,899,092
Directors emoluments	531,626	504,262	261,663	191,426
Depreciation on fixed asset and equipment on lease	5,448,067	3,916,803	4,266,172	3,021,290
Administrative and general expenses	10,662,738	7,585,827	9,916,743	8,412,190
Repairs & maintenance	1,333,241	1,710,617	1,122,132	1,334,908
Auditors' remuneration	278,664	182,772	144,000	89,500
Insurance	688,362	2,149,346	487,436	450,584
Professional fees	1,763,195	2,473,716	1,577,818	2,297,516
Deposit insurance premium	2,330,450	1,587,537	2,317,098	1,587,537
Rent & rates	1,538,743	1,132,348	815,613	777,865
Travelling	1,224,286	808,423	817,838	602,721
IT levy	394,752	2,528	176,686	–
Derivative loss	724,499	–	724,499	–
Loss on disposal of investment properties	84,041	–	84,041	–
Other operating expenses	6,025,615	3,694,317	4,543,645	588,374
	48,644,315	35,914,063	38,797,403	26,253,003

(ii) Auditor's remuneration represents fees for two audits of the Bank: for the period ended 30 June 2010 and year ended 31 December 2010.

(b) Staff and executive directors' costs

(i) Employee costs, including those of executive directors, during the year amounted to:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	N'000	N'000
Wages and salaries	15,199,755	9,891,711	11,245,365	6,778,003
Pension costs	416,281	273,856	296,654	121,089
	15,616,036	10,165,567	11,542,019	6,899,092

(ii) The average number of persons in employment during the year is:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	Number	Number	Number	Number
Managerial	207	197	147	167
Other staff	1,547	1,432	1,170	1,244
	1,754	1,629	1,317	1,411

(iii) Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	Number	Number	Number	Number
Below N900,000	31	20	–	–
N900,001 – N910,000	9	–	–	–
N910,001 – N1,000,000	–	4	–	–
N1,200,001 – N1,440,000	25	23	–	7
N1,490,001 – N1,500,000	34	–	34	–
N1,540,001 – N1,550,000	–	–	–	–
N1,650,001 – N1,660,000	12	–	–	–
N1,990,001 – N2,010,000	66	28	–	–
N2,340,001 – N2,370,000	8	10	–	–
N2,370,001 – N2,380,000	–	–	–	–
N2,610,001 – N2,620,000	22	11	–	–
N2,990,001 – N3,000,000	1	2	–	–
N3,100,001 – N3,300,000	5	–	–	–
N3,490,001 – N3,500,000	8	16	–	–
N3,501,001 – N3,910,000	685	707	631	703
N3,910,001 – N3,920,000	–	–	–	–
N3,980,001 – N3,990,000	–	–	–	–
N4,100,001 – N4,310,000	6	25	–	–
N4,310,001 – N4,320,000	4	–	–	–
N4,700,001 – N4,740,000	5	12	–	–
N4,740,001 – N4,750,000	–	–	–	–
N4,930,001 – N4,940,000	–	–	–	–
N4,941,001 – N5,529,000	170	191	150	171
N5,430,001 – N5,440,000	–	–	–	–
N5,530,001 – N5,740,000	5	–	–	–
N6,100,001 – N6,750,000	126	133	109	114
N6,750,001 – N6,760,000	–	–	–	–
N6,900,001 – N7,200,000	8	3	–	–
N7,431,001 – N7,489,000	201	110	107	110
N7,900,001 – N8,750,000	7	89	–	–
N8,750,001 – N8,760,000	1	57	–	–
N9,180,001 – N9,190,000	–	–	–	–
N9,350,001 – N10,810,000	93	–	84	89
N10,810,001 – N10,820,000	–	–	–	
N11,000,001 – N11,350,000	61	14	60	57
N11,350,001 – N11,360,000	2	–	–	–
N11,950,001 – N12,160,000	16	–	–	–
N12,620,001 – N12,630,000	1	14	–	–
N13,261,001 – N14,949,000	53	62	53	62
N15,101,001 – N17,949,000	38	42	38	42
N18,101,001 – N21,940,000	19	25	19	25
N22,101,001 – N26,250,000	16	16	16	16
N26,251,001 – N30,260,000	15	14	15	14
N30,261,001 – N45,329,000	1	1	1	1
	1,754	1,629	1,317	1,411

(c) **Directors' remuneration**:

Remuneration paid to Directors of the Bank (excluding pension contributions and other benefits) was as follows:

	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000
Fees as directors	**7,900**	7,900
Other emoluments	**–**	–
Executive directors	**152,400**	116,125
Other directors	**101,363**	67,401
	261,663	191,426

The director's remuneration shown above includes:

	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000
Chairman	**9,370**	8,063
Highest paid director	**38,650**	29,725

The emoluments of all other directors fell within the following ranges:

	Bank 12 months Dec-10	Bank 9 months Dec-09
	Number	Number
N5,000,001 – N9,000,000	**–**	3
N9,000,001 – N13,000,000	**2**	5
N13,000,001 – N20,000,000	**5**	4
N20,000,001 – N37,000,000	**5**	–
	12	12

9 Diminution in value of assets

(a) Loan loss expenses comprise:

	Group 12 months Dec-10	Group 9 months Dec-09	**Bank 12 months Dec-10**	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Loans and advances				
– Specific (see note 14(g))	**12,639,028**	28,763,023	**9,696,254**	27,784,816
– General (see note 14(i))	**20,964**	(6,956,172)	**–**	(6,974,397)
– Margin facilities (see note 14(g))	**(1,350,004)**	7,868,645	**(1,350,004)**	7,868,645
– No longer required (see note 14(g))	**(6,785,619)**	(12,935,811)	**(5,428,737)**	(12,418,211)
On-lending facilities				
– General (see note 15(b))	**–**	–	**–**	–
– No longer required	**–**	(51,435)	**–**	(51,435)
Advances under finance leases				
– Specific (see note 16(a))	**–**	–	**–**	–
– General (see note 16(c))	**–**	–	**–**	–
– No longer required (see note 16(b))	**–**	(37,586)	**–**	(37,586)
	4,524,369	16,650,665	**2,917,513**	16,171,832

(b) Allowance for other assets comprise:

– Allowance on other assets (see note 21(d))	**649,436**	1,921,261	**558,242**	1,680,090
– Allowance no longer required (see note 21(d))	**(1,061,608)**	(441,259)	**(969,506)**	(422,701)
Impairment charge/reversal on SME investment (see note 17(b)(xii))	**(26,175)**	144,616	**(26,175)**	144,616
Dimunition on underwriting commitment	**–**	3,256,198	**–**	3,256,198
Impairment loss on investment property (see note 19)	**315,698**	–	**315,698**	–
Impairment loss on long term investment (see note 18)	**–**	–	**264,557**	–
Impairment charge on goodwill	**306,437**	–	**–**	–
	183,788	4,880,816	**142,816**	4,658,203

10 Taxation

(a) Current income tax charge

	Group 12 months Dec-10	Group 9 months Dec-09	**Bank 12 months Dec-10**	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Current income tax	**3,136,242**	1,102,186	**2,640,306**	905,183
Education tax	**351,374**	6,220	**287,098**	–
Prior year under provision	**116,274**	1,351,214	**116,274**	1,351,214
Income tax charge	**3,603,890**	2,459,620	**3,043,678**	2,256,397
Deferred tax charge/(credit)	**1,496,859**	(1,539,019)	**1,693,465**	(1,333,922)
Charge for the year	**5,100,749**	920,601	**4,737,143**	922,475

The Bank's current income tax charge has been computed at the current company income tax rate of 30% (December 2009: minimum tax rule). Education tax for the year has been charged at 2% of assessable profit.

Group current income tax charge includes statutory corporate income tax of subsidiary companies.

(b) Current income tax payable

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**6,982,030**	6,586,353	**6,736,626**	6,471,362
Opening balances of previously unconsolidated subsidiary	**–**	13,073	**–**	–
Adjusted opening balance	**6,982,030**	6,599,426	**6,736,626**	6,471,362
Charge for the year (see note (a) above)	**3,603,890**	2,459,620	**3,043,678**	2,256,397
Payments during the year	**(7,056,504)**	(2,097,088)	**(6,820,328)**	(1,991,133)
Translation difference	**(36,931)**	20,071	**–**	–
Balance, end of year	**3,492,485**	6,982,029	**2,959,976**	6,736,626

(c) (i) The movement on the deferred tax assets account during the year was as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**1,739,551**	4,346	**1,338,268**	4,346
Prior year under–provision	**–**	179,319	**–**	–
Opening balance, as restated	**1,739,551**	183,665	**1,338,268**	4,346
Reversal during the year (see note (c)(ii) below)	**(1,338,268)**	–	**(1,338,268)**	–
Credit/(charge) for the year	**202,898**	1,555,886	**–**	1,333,922
Translation difference	**(47,131)**	–	**–**	–
Balance, end of year	**557,050**	1,739,551	**–**	1,338,268

(ii) The movement on the deferred tax liabilities account during the year was as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**37,999**	14,399	**–**	–
Opening balances of previously unconsolidated subsidiaries	**–**	9,382	**–**	–
Opening balance, as restated	**37,999**	23,781	**–**	–
Reversal during the year (see note (c)(i) above)	**(1,338,268)**	–	**(1,338,268)**	–
Charge/(credit) for the year	**1,699,757**	16,868	**1,693,465**	–
Translation difference	**20,457**	(2,650)	**–**	–
Balance, end of year	**419,945**	37,999	**355,197**	–

(iii) The Bank's exposure to deferred tax (which relates primarily to timing differences in the recognition of depreciation, capital allowances on fixed assets, unrelieved losses, unrealised FX gain and general provisions) which has been fully provided for in the financial statements are attributable to the following:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Fixed assets	380,071	1,170,153	355,197	1,178,863
General provision	1,569	–	–	–
Unrealised foreign exchange gain	(6,031)	34,170	–	34,170
Unrelieved losses	(512,713)	(2,905,875)	–	(2,551,301)
	(137,105)	(1,701,552)	355,197	(1,338,268)

11 Cash and balances with Central Bank of Nigeria

(a) Cash and balance with Central Bank of Nigeria comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Cash balances	13,472,896	12,915,335	5,725,995	6,565,558
Operating account with Central Bank of Nigeria	8,356,366	10,681,575	8,356,366	10,681,575
Placement with Central Bank of Nigeria	–	38,000,000	–	38,000,000
	21,829,262	61,596,910	14,082,361	55,247,133
Mandatory reserve deposits with Central Bank of Nigeria (see note (b) below)	3,566,031	2,930,273	3,566,031	2,930,273
Investment account (see note (c) below)	–	65,518	–	65,518
	25,395,293	64,592,701	17,648,392	58,242,924

(b) The mandatory reserve deposit is not available for use in the Group's day to day operations.

(c) This represents restricted funds held by the Central Bank of Nigeria in respect of investment in SMEEIS not yet undertaken by the Bank.

12 Treasury bills

These comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Treasury bills (see note (a) below)	35,857,812	17,207,973	11,618,000	10,926,086

(a) Included in treasury bills held in the Bank is N6.691 billion (December 2009: N7.591 billion) pledged by the Bank to third parties as collateral.

(b) The cost of treasury bills held by the Bank as at 31 December 2010 was N11,539,497,069 (December 2009: N10,784,004,511).

13 Due from other banks

(a) Due from banks comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
Balances with banks in Nigeria	N'000	N'000	N'000	N'000
– Clearing settlement account	678,708	765,085	577,275	765,085
– Placements with banks and discount houses in Nigeria (see note (b) below)	73,499	9,295,906	–	9,476,778
– Current accounts with other banks in Nigeria	81,768	263,124	–	–
Balances with banks outside Nigeria:				
– Balances held with other central banks	601,697	3,075,564	–	–
– Balances held with other banks outside Nigeria (see note (c) below)	26,389,257	44,639,044	44,782,198	37,118,886
– Placements with foreign banks	75,357,195	35,138,384	26,818,007	28,830,956
	103,182,124	93,177,107	72,177,480	76,191,705

(b) Included in placements with banks and discount houses in Nigeria is an amount of N5,441,257,000 (December 2009: N4,192,687,000) representing unclaimed dividend held in the account of the Registrars to the Bank. The corresponding liability is included in other liabilities (see note 29).

(c) Included in balances held with banks outside Nigeria is the naira equivalent of foreign currencies held on behalf of customers in various foreign accounts amounting to N25,999,292,000 (December 2009: N6,076,115,000) to cover letters of credit transactions. The corresponding liability for this amount is included in other liabilities (see note 29).

14 Loans and advances

(a) The classification of loans and advances is as follows:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	N'000	N'000
Overdraft	131,960,535	107,847,932	123,358,430	98,838,374
Term loan	256,625,961	206,430,581	246,111,795	194,071,561
Others (see note (f) below)	76,703,830	99,174,444	66,313,386	92,456,506
	465,290,326	413,452,957	435,783,611	385,366,441
– specific allowance (see note (g) below)	(28,989,387)	(25,997,666)	(26,212,611)	(21,354,890)
– interest in suspense (see note (h) below)	(6,455,966)	(3,631,468)	(6,392,043)	(3,623,902)
– general (see note (i) below)	(62,654)	(45,655)	–	–
	(35,508,007)	(29,674,789)	(32,604,654)	(24,978,792)
	429,782,319	383,778,168	403,178,957	360,387,649

(b) The loans and advances are analysed as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Specialised loans (see note (c) below)	108,802,418	13,646,923	108,802,418	13,646,923
Non-specialised loans	356,487,908	399,806,034	323,140,975	371,719,518
	465,290,326	413,452,957	431,943,939	385,366,441
Provisions:				
Specialised:				
– Specific allowance	(12,955,868)	(7,868,645)	(12,955,868)	(7,868,645)
– Interest in suspense	(2,295,759)	–	(2,295,759)	–
– General allowance	–	–	–	–
	(15,251,627)	(7,868,645)	(15,251,627)	(7,868,645)
Non-specialised:				
– Specific allowance	(16,033,519)	(18,129,021)	(13,256,743)	(13,486,245)
– Interest in suspense	(4,160,207)	(3,631,468)	(4,096,284)	(3,623,902)
– General allowance	(62,654)	(45,655)	–	–
	(20,256,380)	(21,806,144)	(17,353,027)	(17,110,147)
	(35,508,007)	(29,674,789)	(32,604,654)	(24,978,792)
	429,782,319	383,778,168	399,338,739	360,387,649

(c) Specialised loans comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Project finance	53,360,501	–	53,360,501	–
Object finance	6,886,247	–	6,886,247	–
SME loans	–	–	–	–
Agriculture finance	3,547,702	–	3,547,702	–
Real Estate finance	36,439,750	–	36,439,750	–
Mortgage finance	402,948	–	402,948	–
	100,637,148	–	100,637,148	–
Margin loans	8,165,270	13,646,923	8,165,270	13,646,923
	108,802,418	13,646,923	108,802,418	13,646,923

(d) Classification of gross specialised loans and advances are as follows:

2010	**Project finance**	**Object finance**	**SME loans**	**Agriculture finance**	**Real Estate finance**	**Mortgage finance**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Performing	11,633,530	6,068,230	–	3,541,197	32,837,880	300,393	54,381,230
Watchlist	41,726,971	818,017	–	–	1,264,673	–	43,809,661
Other classification							
Substandard	–	–	–	–	1,339,843	–	1,339,843
Doubtful	–	–	–	5,653	97,337	102,555	205,545
Very doubtful	–	–	–	–	–	–	–
Lost		–	–	852	900,017	–	900,869
		–	–	6,505	2,337,197	102,555	2,446,257
	53,360,501	6,886,247	–	3,547,702	36,439,750	402,948	100,637,148
Percentage to total loans	**0.00%**	**0.00%**	**0.00%**	**0.18%**	**6.41%**	**25.45%**	**2.44%**

(e) Allowances for specialised loans are as follows:

	Group Dec-10	**Group Dec-10**	Group Dec-09	Group Dec-09	**Bank Dec-10**	**Bank Dec-10**	Bank Dec-09	Bank Dec-09
	Balance	**Allowance**	Balance	Allowance	**Balance**	**Allowance**	Balance	Allowance
	N'000	**N'000**	N'000	N'000	**N'000**	**N'000**	N'000	N'000
Project finance	**53,360,501**	**7,238,809**	–	–	**53,360,501**	**7,238,809**	–	–
Object finance	**6,886,247**	**182,769**	–	–	**6,886,247**	**182,769**	–	–
SME loans	**–**	**–**	–	–	**–**	**–**	–	–
Agriculture finance	**3,547,702**	**3,988**	–	–	**3,547,702**	**3,988**	–	–
Real Estate finance	**36,439,750**	**1,237,359**	–	–	**36,439,750**	**1,237,359**	–	–
Mortgage finance	**402,948**	**70,034**	–	–	**402,948**	**70,034**	–	–
	100,637,148	**8,732,959**	–	–	**100,637,148**	**8,732,959**	–	–
Margin loans	**8,165,270**	**6,518,668**	13,646,923	7,868,645	**8,165,270**	**6,518,668**	13,646,923	7,868,645
	108,802,418	**15,251,627**	13,646,923	7,868,645	**108,802,418**	**15,251,627**	13,646,923	7,868,645

(f) Included in other loans is a balance of N3,840,218,000 which represents underwriting commitments held by the Bank now reclassified as part of loans and advances in line with CBN circular on universal banking.

(g) The movement on specific allowance for bad and doubtful loans during the year was as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**25,908,623**	5,211,247	**21,354,890**	4,393,483
Prior year under-provision	**–**	4,076,800	**–**	–
Adjusted opening balance	**25,908,623**	9,288,047	**21,354,890**	4,393,483
Reclassification from underwriting commitment (see note 17 (a) (iv))	**3,256,198**	–	**3,256,198**	–
Allowance during the year (see note 9 above)	**12,639,028**	28,763,024	**9,696,254**	27,784,816
Allowance/(write back) for margin facilities (see note 9 above)	**(1,350,004)**	7,868,645	**(1,350,004)**	7,868,645
Allowance no longer required (see note 9 above)	**(6,785,619)**	(12,935,811)	**(5,428,737)**	(12,418,211)
Allowance written off during the year	**(4,383,007)**	(7,149,686)	**(1,315,990)**	(6,273,843)
Translation difference	**(295,832)**	163,447	**–**	–
Balance, end of year	**28,989,387**	25,997,666	**26,212,611**	21,354,890

(h) The movement in the interest-in-suspense account during the year was as follows:

Balance, beginning of year	**3,631,468**	2,289,112	**3,623,902**	2,289,112
Suspended during the year	**4,070,590**	5,807,549	**4,009,616**	5,799,983
Recovered during the year	**(207,784)**	(1,759,397)	**(203,167)**	(1,759,397)
Written off during the year	**(1,038,308)**	(2,705,796)	**(1,038,308)**	(2,705,796)
Balance, end of year	**6,455,966**	3,631,468	**6,392,043**	3,623,902

(i) (i) The movement on the general allowance for bad and doubtful loans during the year was as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**45,655**	7,000,055	**–**	6,974,397
Adjustment to opening balance	**–**	–	**–**	–
Adjusted opening balance	**45,655**	7,000,055	**–**	6,974,397
Allowance during the year (see note 9)	**32,585**	18,225	**–**	–
Allowance written back (see note 9)	**(11,621)**	(6,974,397)	**–**	(6,974,397)
Translation difference	**(3,965)**	1,772	**–**	–
Balance, end of year	**62,654**	45,655	**–**	–

(ii) In the current year, the Bank did not make a 1% general provision on performing loans and advances based on the CBN circular BSD/DIR/GEN/CIR/04/013 to all banks in respect of 1% general provisioning on performing risk assets dated 7 January 2011 and a publication by the Nigerian Accounting Standards Board (NASB) dated 21 March 2011 (2009: Nil). The CBN circular waived the requirement of the 1% general provision for all Deposit Money Banks (DMBs) while the NASB publication stated that the level of provisioning over the period from 2008 to 2010 was considered adequate for individual Deposit Money Banks (DMBs) that have subjected their loan portfolios to extensive review by the CBN and the Nigeria Deposit Insurance Corporation (NDIC) since the beginning of the current CBN reforms. The NASB publication excludes those individual DMBs from making the general loan loss provision required by paragraph 55 of Statement of Accounting Standard SAS 10: Accounting By Banks and Non-Bank Financial Institutions (Part I) in the financial statements for the year ended 31 December 2010 only.

The directors are of the opinion that the Bank qualifies for the exclusion as provided by the NASB publication and have also complied with the CBN circular BSD/DIR/GEN/CIR/04/013 dated 7 January 2011. Accordingly, the Bank has not made the 1% general provision on performing loans and advances for the year ended 31 December 2010.

(j) (i) The analysis of loan and advances by security is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Secured against real estate	**105,049,675**	74,320,354	**96,474,275**	73,168,477
Secured by shares of quoted companies (see (iii) below)	**12,005,488**	15,306,524	**12,005,488**	15,306,524
Otherwise secured	**336,927,338**	313,507,282	**327,303,848**	296,891,440
Unsecured	**11,307,825**	10,318,797	**–**	–
	465,290,326	413,452,957	**435,783,611**	385,366,441

(ii) Included in loans and advances otherwise secured is a total loan amount of N14,806,697,000 (December 2009: N28,958,590,000) secured by cash held in various deposit accounts on behalf of customers.

(iii) Included in loans and advances secured by shares of quoted companies is an amount of N8,165,270,000 (December 2009: N13,646,922,000) representing margin facilities which were marked to market and allowance made on the shortfall.

(iv) Included in loans and advances secured by shares of quoted companies is the amount of N3,840,218,000 representing 15,360,873 units of African Petroleum Plc shares which was previously underwritten by the Bank. The amount was included in investment securities in prior year but was transferred to loans and advances in current year in line with Central Bank of Nigeria circular BSD/DO/CIR/VOL.1/10/2000.

(k) The maturity profile of loans and advances is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Under one month	**112,764,852**	108,208,967	**110,287,957**	96,227,109
1–3 months	**84,720,425**	78,987,249	**76,322,737**	70,490,229
3–6 months	**50,337,019**	32,868,456	**46,522,176**	31,717,362
6–12 months	**36,127,911**	61,195,886	**32,334,795**	58,894,375
Over 12 months	**181,340,119**	132,192,399	**170,315,946**	128,037,366
	465,290,326	413,452,957	**435,783,611**	385,366,441

(l) The gross value of loans and advances by borrower is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Insider related loans (see note (i) below)	**65,955,735**	49,690,091	**58,866,046**	49,200,335
Other loans	**399,334,591**	363,762,866	**376,917,565**	336,166,106
	465,290,326	413,452,957	**435,783,611**	385,366,441

(i) The non performing insider related loans as at the balance sheet date was N47,204,787 (December 2009: N35,420,589).

(m) The gross value of loans and advances by sector is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Agriculture	**3,780,784**	2,012,992	**3,547,702**	1,152,138
Arts, entertainment and recreation	**270,000**	216,030	**270,000**	216,030
Capital market	**19,287,516**	31,782,131	**19,287,516**	31,782,131
Construction	**20,050,437**	15,011,559	**19,019,811**	13,725,257
Education	**239,875**	326,861	**239,561**	326,861
Finance and insurance	**17,598,898**	11,566,313	**11,201,204**	10,575,225
General	**13,395,708**	12,445,315	**12,995,228**	11,378,908
General commerce	**56,288,917**	68,184,535	**54,619,803**	62,341,977
Government	**19,092,466**	13,146,249	**17,971,498**	11,078,609
Information and communication	**69,450,897**	66,840,594	**68,304,866**	61,113,195
Manufacturing	**85,394,186**	75,048,300	**84,553,478**	68,617,604
Oil and gas	**106,298,109**	77,980,922	**106,009,170**	77,465,056
Power and energy	**538,571**	696,611	**391,361**	636,920
Professional, technical and scientific activities	**443,184**	405,871	**443,184**	405,871
Real estate activities	**33,026,044**	31,251,918	**30,320,052**	28,574,021
Transportation and storage	**7,065,810**	6,536,756	**6,603,440**	5,976,638
Others	**13,068,924**	–	**5,739.03**	–
	465,290,326	413,452,957	**435,783,611**	385,366,441

(n) The analysis of loans and advances by performance is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Non-performing				
Substandard	**11,608,245**	55,905,297	**8,217,681**	41,817,821
Doubtful	**8,113,821**	14,458,001	**6,002,447**	13,785,969
Lost	**17,951,073**	10,308,140	**17,008,026**	6,160,373
	37,673,139	80,671,438	**31,228,154**	61,764,163
Performing	**427,617,187**	332,781,519	**404,555,457**	323,602,278
	465,290,326	413,452,957	**435,783,611**	385,366,441

15 On-lending facilities

(a) This represents disbursement to customers in respect of on-lending facilities received from European Investment Bank, African Development Bank, Nigeria Export Import Bank and Bank of Industry (see note 27).

Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
N'000	N'000	**N'000**	N'000
22,685,778	3,131,963	**22,685,778**	3,131,963

(b) The maturity profile of on-lending facilities is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
1–3 months	970,938	4,496	970,938	4,496
3–6 months	87,672	49,541	87,672	49,541
6–12 months	150,177	359,712	150,177	359,712
Over 12 months	21,476,991	2,718,214	21,476,991	2,718,214
	22,685,778	3,131,963	22,685,778	3,131,963

(c) The analysis of on-lending facilities by performance is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Performing	22,685,778	3,131,963	22,685,778	3,131,963

16 Advances under finance lease

(a) Advances under finance lease comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Gross investment in finance lease	3,480,431	4,942,020	3,137,130	4,466,067
Unearned income	(396,038)	(692,047)	(396,038)	(692,047)
Net investment in finance lease	3,084,393	4,249,973	2,741,092	3,774,020
Specific allowance	–	–	–	–
General allowance	–	–	–	–
	3,084,393	4,249,973	2,741,092	3,774,020

(b) The maturity profile of the net investment in advances under finance lease is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Under 1 month	14,744	11,301	3,444	10,733
1–3 months	38,282	57,218	8,045	54,684
3–6 months	21,568	65,271	20,103	54,770
6–12 months	112,587	464,858	95,325	336,570
Over 12 months	2,897,212	3,651,325	2,614,175	3,317,263
	3,084,393	4,249,973	2,741,092	3,774,020

(c) The analysis of advances under finance leases by performance is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Performing	3,084,393	4,249,973	2,741,092	3,774,020

17 Investment securities

(a) Investment securities – short term

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Trading securities (note (a (i)) below)	1,773,988	26,781,578	1,056,706	26,772,718
Stabilisation securities	29,069	31,151	–	–
Underwriting commitment (see note (a (iv)) below)	–	584,020	–	584,020
	1,803,057	27,396,749	1,056,706	27,356,738

(b) (i) Investment securities – long term

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
N50 billion Second Lagos State Government Fixed rate Bond 2008/2013	–	–	–	–
Federal Government Bonds (see note (b) (i) below)	**103,377,781**	35,998,818	**103,377,781**	35,998,818
Other bonds	**5,030,870**	382,026	**3,000,000**	–
Other quoted investments	–	1,713,013	–	–
	108,408,651	38,093,857	**106,377,781**	35,998,818
Other equity investments				
Africa Finance Corporation (see note b) (iv) below)	**8,425,000**	8,425,000	**8,425,000**	8,425,000
Valucard Nigeria Plc (see note (b) (v) below)	**368,257**	368,257	**368,257**	368,257
Central Securities Clearing System Limited (see note (b) (vi) below)	**175,000**	175,000	**175,000**	175,000
IBTC Pension Managers (see note (b) (vii) below)	**141,177**	141,177	**141,177**	141,177
Credit Reference Company (see note (b) (viii) below)	**61,111**	61,111	**61,111**	61,111
Nigerian Inter-Bank Settlement System (see note (b) (ix) below)	**46,588**	46,588	**46,588**	46,588
Consolidated Discount House (see note (b) (x) below)	**10,000**	10,000	**10,000**	10,000
Small & Medium Scale Investments (see note (b) (xi) below)	**150,000**	150,000	**150,000**	150,000
Other investments (see note (b) (xiv) below)	**77,119**	189,642	–	–
	9,454,252	9,566,775	**9,377,133**	9,377,133
Net value of investment	**119,665,960**	75,057,381	**116,811,620**	72,732,689

(ii) The movement in investment securities – long term during the year is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	**47,660,632**	64,916,801	**45,375,951**	64,542,546
Addition during the year	**98,629,130**	–	**96,980,286**	–
Disposal during the year	**(28,426,859)**	(17,111,553)	**(26,601,323)**	(19,021,979)
Balance, end of year	**117,862,903**	47,805,248	**115,754,914**	45,520,567

(a) (i) Trading securities comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Trading FGN Bonds (see note (a (ii)) below)	**1,056,706**	26,772,718	**1,056,706**	26,772,718
Banker's Acceptances	**717,282**	8,860	–	–
	1,773,988	26,781,578	**1,056,706**	26,772,718

(ii) Trading FGN bonds comprise:

	Group	Group	Bank	Bank
	N'000	N'000	N'000	N'000
10.75% 4th FGN Bond Series 1 (2010)	–	94,866	–	94,866
9.00% 4th FGN Bond Series 4 (2010)	–	80,535	–	80,535
7.00% 4th FGN Bond Series 12 (2010)	–	813,200	–	813,200
8.99% 4th FGN Bond Series 14 (2010)	–	622	–	622
12.99% 3rd FGN Bond Series 13 (2011)	**106,244**	3,401,643	**106,244**	3,401,643
10.50% 5th FGN Bond Series 3 (2011)	–	105,110	–	105,110
9.50% 4th FGN Bond Series 2 (2012)	–	53,545	–	53,545
9.23% 4th FGN Bond Series 5 (2012)	–	52,145	–	52,145
10.50% 6th FGN Bond Series 2 (2012)	–	747,600	–	747,600
9.92% 6th FGN Bond Series 1 (2012)	–	17,012	–	17,012
9.45% 5th FGN Bond Series 1 (2013)	**38,595**	350,845	**38,595**	350,845

10.50% 5th FGN Bond Series 4 (2013)	**3,671**	3,643,744	**3,671**	3,643,744
10.75% 4th FGN Bond Series 3 (2014)	**14,580**	48,741	**14,580**	48,741
9.20% 4th FGN Bond Series 6 (2014)	**53,475**	206,440	**53,475**	206,440
9.85% 4th FGN Bond Series 8 (2017)	**240,400**	220,360	**240,400**	220,360
9.35% 4th FGN Bond Series 9 (2017)	**438,038**	43,699	**438,038**	43,699
10.70% 5th FGN Bond Series 2 (2018)	**21,058**	356,086	**21,058**	356,086
15.00% 5th FGN Bond Series 5 (2028)	**–**	284,965	**–**	284,965
12.49% 6th FGN Bond Series 3 (2029)	**94,680**	6,461,500	**94,680**	6,461,500
7.00% 6th FGN Bond Series 4 (2019)	**45,965**	326,830	**45,965**	326,830
8.50% 6th FGN Bond Series 5 (2029)	**–**	9,463,230	**–**	9,463,230
	1,056,706	26,772,718	**1,056,706**	26,772,718
	–	–	**–**	–

(iii) The original cost of trading bonds as at 31 December 2010 was N1,069,469,000 (December 2009: N27,308,506,854).

(iv) Underwriting commitment represents the carrying value of 15,360,873 units of African Petroleum Plc shares underwritten by the Bank. The principal sum and the allowance thereon have been reclassified to loans and advances. The analysis is presented below:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Cost	**3,840,218**	3,840,218	**3,840,218**	3,840,218
Revaluation loss	**(3,256,198)**	(3,256,198)	**(3,256,198)**	(3,256,198)
Reclassified to loans and advances	**(3,840,218)**	–	**(3,840,218)**	–
Reclassified to allowance for loans and advances (see note 14 (g))	**3,256,198**	–	**3,256,198**	–
	–	584,020	**–**	584,020

(b) (i) Long term investment in Federal Government Bonds comprises:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
10.75% 4th FGN Bond Series 1 (2010)	**–**	4,882,802	**–**	4,882,802
9.00% 4th FGN Bond Series 4 (2010)	**–**	13,061,110	**–**	13,061,110
7.95% 4th FGN Bond Series 7 (2010)	**9,076,616**	2,201,609	**9,076,616**	2,201,609
7.00% 4th FGN Bond Series 12 (2010)	**830,386**	1,796,020	**830,386**	1,796,020
12.99% 3rd FGN Bond Series 13 (2011)	**4,370,913**	1,170,273	**4,370,913**	1,170,273
10.50% 5th FGN Bond Series 3 (2011)	**521,481**	–	**521,481**	–
Federal Mortgage Bank of Nigeria Bond (2012)	**2,076,928**	2,132,358	**2,076,928**	2,132,358
9.23% 4th FGN Bond Series 5 (2012)	**373,994**	–	**373,994**	–
9.50% 4th FGN Bond Series 10 (2012)	**213,545**	–	**213,545**	–
9.92% 6th FGN Bond Series 1 (2012)	**423,092**	–	**423,092**	–
10.50% 6th FGN Bond Series 2 (2012)	**1,623,851**	–	**1,623,851**	–
10.98% 3rd FGN Bond Series 15 (2013)	**1,500,000**	1,500,000	**1,500,000**	1,500,000
11.99% 3rd FGN Bond Series 16 (2013)	**1,036,240**	1,048,400	**1,036,240**	1,048,400
9.45% 5th FGN Bond Series 1 (2013)	**3,505,848**	–	**3,505,848**	–
10.50% 5th FGN Bond Series 4 (2013)	**2,857,913**	–	**2,857,913**	–
5.50% 7th FGN Bond Series 1 (2013)	**544,587**	–	**544,587**	–
9.20% 4th FGN SERIES 6 (2014)	**959,224**	–	**959,224**	–
4.00% 7th FGN Bond Series 2 (2015)	**183,844**	–	**183,844**	–
9.35% 4th FGN Bond Series 9 (2017)	**582,059**	8,206,246	**582,059**	8,206,246
10.70% 5th FGN Bond Series 2 (2018)	**916,009**	–	**916,009**	–
7.00% 6th FGN SERIES 4 (2019)	**1,365,949**	–	**1,365,949**	–
15.00% 5th FGN Bond Series 5 (2028)	**10,612,314**	–	**10,612,314**	–
12.49% 6th FGN Bond Series 3 (2029)	**35,641,945**	–	**35,641,945**	–
8.50% 6th FGN Bond Series 5 (2029)	**21,470,123**	–	**21,470,123**	–
AMCON Consideration Bond (see 17 (b) (xv) below)	**2,690,920**	–	**2,690,920**	–
	103,377,781	35,998,818	**103,377,781**	35,998,818

(ii) The market value of long term FGN Bonds is N91,284,208,000 (December 2009: N34,386,444,000).

(iii) Included in long term FGN bonds is an amount of N34,120,000,000 (December 2009: Nil) pledged as collateral by the Bank for various transactions.

(iv) This represents the Bank's investment in 61,250,000 (December 2009: 61,250,000) ordinary shares of US$1 each in Africa Finance Corporation, representing 5.6% equity interest (December 2009: 5.6%).

(v) This represents the Bank's investment in 368,256,737 (December 2009: 368,256,737) units of Valucard Nigeria Plc representing 10% equity interest.

(vi) This represents the Bank's investment in 50,000,000 (December 2009: 50,000,000) ordinary shares of N1 each in Central Securities Clearing System, representing 5% equity interest.

(vii) This represents the Bank's investment in 75,000,000 (December 2009: 75,000,000) ordinary shares of N1 each in IBTC Pension Managers, representing 15% equity interest.

(viii)This represents the Bank's investment in 107,407,407 (December 2009: 107,407,407) units of Credit Reference Company representing 7.5% equity interest.

(ix) This represents the Bank's investment in 52,583,291 (December 2009: 52,583,291) ordinary shares of N1 each in Nigerian Inter-Bank Settlement System Plc, representing 7% equity interest.

(x) This represents the Bank's investment in 10,000,000 (December 2009: 10,000,000) ordinary shares of N1 each in Consolidated Discount Limited, representing 5% equity interest.

(xi) Investment in SMEEIS

The details of the investments are as shown below:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
First SMI Consortium Company	**13,750**	13,750	**13,750**	13,750
Midland Sugar Limited	**21,991**	21,991	**21,991**	21,991
Channel House Limited	**15,000**	15,000	**15,000**	15,000
Masdeladel Industries	**30,600**	30,600	**30,600**	30,600
Radmed Diagnostics	**37,100**	37,100	**37,100**	37,100
Vic Lawrence Associates	**–**	26,175	**–**	26,175
Tinapa Business Resort	**150,000**	150,000	**150,000**	150,000
See note (b) (xi) below	**268,441**	294,616	**268,441**	294,616
Impairment of SME investment (see note (b) (xii))	**(118,441)**	(144,616)	**(118,441)**	(144,616)
	150,000	150,000	**150,000**	150,000

The Bank makes investments under the Small and Medium Enterprises Equity Investment Scheme (SMEEIS) per the Policy Guidelines for 2001 Fiscal Year.

(xii) The movement in investment in SMEEIS during the year is as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**294,616**	294,616	**294,616**	294,616
Disposal during the year	**(26,175)**	–	**(26,175)**	–
Balance, end of year	**268,441**	294,616	**268,441**	294,616

(xiii) The movement in impairment of SMEEIS during the year is as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**144,616**	–	**144,616**	–
Addition during the year	**–**	144,616	**–**	144,616
Provision no longer required	**(26,175)**	–	**(26,175)**	–
Balance, end of year	**118,441**	144,616	**118,441**	144,616

(xiv) This represents other Group entities' investment in unquoted equities.

(xv) The analysis of AMCON Consideration Bonds is provided below:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Gross value of investment	3,618,988	–	3,618,988	–
Addition during the year	–	–	–	–
Unearned income	(928,068)	–	(928,068)	–
Balance, end of year	2,690,920	–	2,690,920	–

AMCON Bond represents Initial Consideration Bonds Issued by the Asset Management Corporation of Nigeria (AMCON) and fully guaranteed by the Federal Government of Nigeria. The Initial Consideration Bonds are three year zero coupon with a yield to maturity of 10.125%. The Initial Consideration Bonds were issued to banks in exchange for non-performing capital market loans as part of the Nigerian Government's policy measures to reduce the negative impact of capital market loans on the Nigerian banking industry and the economy as a whole.

18 Investment in subsidiaries

Investment in subsidiaries comprise:

(a) Equity investment in subsidiaries

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Access Bank, UK (see note (c) below)	–	–	7,458,100	7,458,100
Access Bank, Ghana (see note (c) below)	–	–	7,427,000	7,427,000
Access Bank, Cote D'ivoire (see note (c) below)	–	–	1,890,000	1,890,000
Access Bank Rwanda (see note (c) below)	–	–	1,578,825	1,578,825
Access Homes & Mortgages (see note (c) below)	–	–	1,000,000	1,000,000
Access Bank, (R D Congo) (see note (c) below)	–	–	1,818,450	969,490
Access Bank, Zambia (see note (c) below)	–	–	617,925	617,925
FinBank, Burundi (see note (c) below)	–	–	526,274	526,274
Access Investment and Securities (see note (c) below)	–	–	500,000	500,000
Access Bank, Sierra Leone (see note (c) below)	–	–	709,351	489,600
Access Bank, Gambia (see note (c) below)	–	–	892,556	206,531
United Securities Limited (see note (c) below)	–	–	107,199	107,199
	–	–	24,525,680	22,770,944
Debt investment in subsidiaries				
Access Bank Zambia (see (b) (ii) below)	–	–	–	528,402
	–	–	24,525,680	23,299,346
Less: Provision for diminution (see note (b) h(iii) below)	–	–	(264,557)	–
Total investment in subsidiaries	–	–	24,261,123	23,299,346

(b) (i) The movement in investment in subsidiaries during the year is as follows:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	–	–	23,299,346	20,390,610
Addition during the year	–	–	1,083,097	2,908,736
Transfer from deposit from investments (see note 21 (e))	–	–	671,639	–
Transfer to deposit for investment (see note 21 (e))	–	–	(528,402)	–
Balance, end of year	–	–	24,525,680	23,299,346

(ii) The debt investment in subsidiaries was converted to equity investment in the subsidiary during the year. The balance in respect of this conversion is included in deposit for investment in note 21.

(iii) This represents the provision for diminution on the Bank's investment in Access Investment and Securities Limited, a fully owned subsidiary which the Bank plans to dispose of in 2011. The valuation was carried out by management and no significant additional exposure is expected to result.

(iv) All valuations of other unquoted investments were carried out by management and the carrying values are not below costs except in respect of impairments on investments already recognised.

(c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at 31 December 2010, are as follows:

Condensed profit and loss

	Group balances	Elimination entries	Access Bank Plc	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Zambia
	N'000	N'000	N'000	N'000	N'000	N'000
Operating income	69,521,342	(148,485)	59,526,316	436,794	316,801	1,481,288
Operating expenses	(48,644,314)	53,255	(38,797,403)	(504,928)	(327,119)	(1,283,243)
Provision expense	(4,708,158)	(41,882)	(3,060,329)	(42,740)	(59,796)	(193,746)
Profit before tax	16,168,870	(137,112)	17,668,584	(110,874)	(70,114)	4,299
Taxation	(5,100,749)	–	(4,737,143)	(12,602)	11,390	–
Profit for the year	11,068,121	(137,112)	12,931,441	(123,476)	(58,724)	4,299

Condensed financial position **31 December 2010**

	Group balances	Elimination entries	Access Bank Plc	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Zambia
Assets						
Cash and balances with Central Bank of Nigeria	25,395,293	–	17,648,392	372,839	179,382	4,055,851
Treasury bills	35,857,812	–	11,618,000	255,622	947,277	2,648,002
Due from other banks	103,182,124	(41,504,360)	72,177,480	687,101	892,982	(649,873)
Loans and advances to customers	429,782,319	(1,372,657)	403,178,957	2,644,420	504,335	3,835,395
On-lending facilities	22,685,778	–	22,685,778	–	–	–
Advances under finance lease	3,084,393	–	2,741,092	–	–	114,997
Investment securities	119,665,960	–	116,811,620	–	–	617,398
Investment in subsidiaries	–	(24,261,123)	24,261,123	–	–	–
Investment property	12,943,078		12,943,078			
Investment in associates	–	–	–	–	–	–
Other assets	23,287,133	(4,938,160)	22,172,504	670,188	94,716	702,533
Deferred tax asset	557,050	–	–	–	–	347,310
Property and equipment	25,390,076	–	19,161,511	788,321	282,789	931,587
Equipment on lease	1,561,045	–	1,561,045	–	–	–
Goodwill	1,431,711	1,431,711	–	–	–	–
	804,823,772	(70,644,589)	726,960,580	5,418,491	2,901,481	12,603,200
Financed by						
Customer deposits	486,925,846	(17,660,813)	440,542,115	4,299,081	2,080,042	11,038,325
Due to other banks	64,039,353	(25,824,405)	34,742,938	45,614	304,092	190,210
On-lending facilities	22,685,778	–	22,685,778	–	–	–
Debt securities in issue	–	–	–	–	–	–
Current income tax	3,492,485	–	2,959,976	8,655	(2,809)	–
Other liabilities	51,889,908	(787,344)	43,169,762	298,044	145,282	379,470
Deferred taxation	419,945	–	355,197	–	9,862	–
Equity and reserves	175,370,457	(26,372,029)	182,504,814	767,097	365,019	995,194
	804,823,772	(70,644,592)	726,960,580	5,418,491	2,901,488	12,603,199
Cash and cash equivalents	160,869,198	(41,504,360)	97,877,841	1,315,562	2,019,641	6,053,980

31 December 2010

The Access Bank UK	Access Bank Rwanda	FinBank Burundi	Access Bank Cote D'ivoire	United Securities Limited	Access Bank (RD Congo)	Access Investment and Securities	Access Homes and Mortgages	Access Bank Ghana
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1,448,555	1,357,187	533,220	1,164,461	318,975	590,114	(71,401)	164,749	2,402,768
(1,646,032)	(1,220,556)	(519,941)	(1,767,467)	(159,753)	(1,050,005)	(277,419)	(111,532)	(1,032,171)
–	133,746	(109,941)	(1,183,784)	(4,819)	(67,846)	–	(7,757)	(69,264)
(197,477)	270,377	(96,662)	(1,786,790)	154,403	(527,737)	(348,820)	45,460	1,301,333
207,269	(82,407)	–	–	(56,733)	–	–	(28,643)	(401,880)
9,792	187,970	(96,662)	(1,786,790)	97,670	(527,737)	(348,820)	16,817	899,453
–	2,281,496	244,636	246,702	–	214,344	–	45	151,606
3,536,564	544,360	178,707	–	–	765,327	–	–	15,363,953
52,628,509	4,661,185	1,986,252	2,756,468	5,681,467	1,444,717	392,251	330,046	1,697,899
7,808,045	4,418,830	1,555,186	3,931,459	–	780,585	–	1,014,352	1,483,412
–	–	–	–	–	–	–	–	–
–	60,481	–	–	–	–	–	–	167,823
2,030,870	77,119	–	128,953	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
1,619,176	111,518	296,198	239,052	382,110	687,060	181,343	15,503	1,053,392
209,740	–	–	–	–	–	–	–	–
242,534	149,134	192,358	2,063,961	29,944	736,336	31,304	74,038	706,259
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
68,075,438	12,304,123	4,453,337	9,366,595	6,093,521	4,628,369	604,898	1,433,984	20,624,344
10,143,734	10,051,696	3,617,777	9,811,324	–	3,192,092	–	226,365	9,584,108
51,735,993	45,060	–	1,520,450	–	–	–	162,500	1,116,901
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	99,969	–	–	63,743	–	–	24,271	338,680
985,472	617,354	234,578	748,484	5,555,423	51,188	75,785	15,895	400,515
–	–	–	–	6,654	–	–	–	48,232
5,210,239	1,490,044	600,982	(2,713,663)	467,701	1,385,088	529,113	1,004,953	9,135,905
68,075,438	12,304,123	4,453,337	9,366,595	6,093,521	4,628,368	604,898	1,433,984	20,624,341
56,165,073	7,487,041	2,409,595	3,003,170	5,681,467	2,424,388	392,251	330,091	17,213,458

(ii) The condensed financial data of the consolidated entities as at 31 December 2009, are as follows:

Condensed profit and loss

	Group balances	*Elimination entries*	*Access Bank Plc*	*Access Gambia Bank*	*Access Bank Sierra Leone*	*Access Bank Zambia*
	N'000	N'000	N'000	N'000	N'000	N'000
Operating income	54,739,410	(62,144)	47,124,761	536,878	287,893	385,801
Operating expenses	(36,689,494)	(775,431)	(26,253,003)	(546,222)	(390,130)	(857,697)
Provision expense	(21,531,481)	–	(20,830,035)	(51,192)	(26,858)	–
Profit before tax	(3,481,565)	(837,575)	41,723	(60,536)	(129,094)	(471,896)
Taxation	(920,601)	–	(922,475)	(16,593)	(10,554)	174,509
Profit for the year	(4,402,166)	(837,575)	(880,752)	(77,129)	(139,648)	(297,387)
Condensed financial position	31 December 2009					
Assets						
Cash and balance with CBN	64,592,701	–	58,242,924	296,471	89,612	1,603,096
Treasury bills	17,207,973	–	10,926,086	254,921	296,735	1,015,482
Due from other banks	93,177,107	(23,418,998)	76,191,705	748,895	583,910	669,931
Loans and advances to customers	383,778,168	(254,220)	360,387,649	2,303,442	1,032,700	1,439,531
On-lending facilities	3,131,963	–	3,131,963	–	–	–
Advances under finance lease	4,249,973	–	3,774,020	–	–	–
Investment securities	75,057,381	(1,128,715)	72,732,689	8,860	–	296,742
Investment in subsidiaries	–	(23,299,346)	23,299,346	–	–	–
Investment property	1,404,000		1,404,000			
Investment in associates	300,155	155,155	145,000	–	–	–
Other assets	17,292,653	(1,555,623)	13,677,803	520,120	107,826	251,204
Deferred tax asset	1,739,551	1,338,268	–	–	–	353,828
Property and equipment	27,944,990	–	20,154,091	918,665	481,421	802,264
Equipment on lease	2,169,175	–	2,169,175	–	–	–
Goodwill	1,738,148	1,738,148	–	–	–	–
	693,783,938	(47,763,599)	647,574,719	5,051,374	2,592,204	6,432,080
Financed by						
Customer deposits	438,558,997	(24,547,713)	405,836,092	3,943,895	1,677,429	5,479,900
Due to other banks	43,216,841	(467,552)	39,025,683	494,588	80,597	467,552
On-lending facilities	3,131,964	–	3,131,964	–	–	–
Debt securities in issue	2,604,277	–	2,604,277	–	–	–
Current income tax	6,982,029	–	6,736,626	11,085	–	–
Other liabilities	30,905,783	(807,293)	17,089,054	348,047	566,485	309,145
Deferred taxation	37,999	–	–	–	21,962	–
Equity and reserves	168,346,048	(22,061,527)	173,151,023	253,756	245,740	289,792
	693,783,938	(47,884,084)	647,574,719	5,051,370	2,592,213	6,546,389
Cash and cash equivalents	171,981,990	(23,418,998)	142,364,924	1,300,288	970,258	3,288,510

31 December 2009

The Access Bank UK	*Access Bank Rwanda*	*FinBank Burundi*	*Access Bank Cote D'ivoire*	*United Limited Securities*	*Access Bank (RD Congo)*	*Access Investment and Securities*	*Access Homes and Mortgages*	*Access Bank Ghana*
N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
538,324	1,579,833	569,883	1,364,324	511,916	795,119	193,380	152,085	761,356
(1,470,677)	(1,639,250)	(651,030)	(2,214,222)	(246,172)	(723,103)	(192,648)	(151,532)	(578,376)
–	(142,795)	32,536	(324,698)	18,558	(150,351)	–	–	(56,646)
(932,353)	(202,212)	(48,611)	(1,174,596)	284,302	(78,335)	732	553	126,334
–	(38,354)	(27,888)	–	(86,090)	(1,359)	41,694	1,448	(34,939)
(932,353)	(240,566)	(76,499)	(1,174,596)	198,212	(79,694)	42,426	2,001	91,394
963,051	2,481,642	274,431	445,391	–	105,574	–	62	90,446
–	–	66,880	–	–	6,624	–	–	4,641,243
21,825,330	4,351,666	1,892,781	1,435,157	5,542,056	543,302	30,051	2,956	2,778,365
1,060,415	6,780,508	2,220,379	6,733,692	–	949,314	–	248,948	875,811
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	475,953
1,713,013	79,107	50,214	176,756	–	–	169,885	958,830	–
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
2,048,676	110,483	280,128	403,249	447,350	448,061	158,417	14,411	380,548
–	–	–	–	–	–	41,694	5,761	–
304,657	206,494	231,143	3,089,217	40,454	978,269	40,026	89,290	609,000
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
27,915,142	14,009,899	5,015,956	12,283,462	6,029,860	3,031,144	440,073	1,320,258	9,851,367
17,705,772	12,280,649	4,063,139	9,923,445	–	1,273,496	–	13,193	909,699
2,946,662	63,105	–	–	–	76,180	–	–	530,026
–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–
–	19,015	27,888	–	135,091	–	–	4,313	48,012
1,929,869	309,208	251,763	4,896,516	5,522,157	33,960	37,859	300,751	118,262
–	–	–	–	6,656	–	–	–	9,382
5,332,838	1,337,921	673,166	(2,535,428)	371,054	1,647,509	402,214	1,002,001	8,235,987
27,915,142	14,009,899	5,015,956	12,284,534	6,034,958	3,031,144	440,073	1,320,258	9,851,367
22,788,381	6,833,308	2,234,092	1,880,548	5,542,056	655,500	30,051	3,018	7,510,055

(d) Principal subsidiary undertakings:

Details of consolidated subsidiaries as at 31 December 2010 are shown below:

Country of incorporation	Nature of Company name	Business	Percentage of equity capital held % Dec-10	Dec-09	Year end consolidated
United Kingdom	The Access Bank, UK	Banking	**100**	100	31-Dec-10
Ghana	Access Bank, Ghana	Banking	**95**	95	31-Dec-10
Cote d'Ivoire	Access Bank, Cote D' ivoire	Banking	**88**	88	31-Dec-10
Rwanda	Access Bank Rwanda	Banking	**75**	75	31-Dec-10
Nigeria	Access Homes and Mortgages	Mortgage services	**100**	100	31-Dec-10
Congo	Access Bank (RDCongo)	Banking	**100**	100	31-Dec-10
Zambia	Access Bank, Zambia	Banking	**100**	100	31-Dec-10
Burundi	FinBank, Burundi	Banking	**75**	75	31-Dec-10
Nigeria	Access Investment and Securities	Investment management and securities dealing	**100**	100	31-Dec-10
Sierra Leone	Access Bank, Sierra Leone	Banking	**98**	97	31-Dec-10
Gambia	Access Bank, Gambia	Banking	**77**	77	31-Dec-10
Nigeria	United Securities Limited	Registrar services	**100**	100	31-Dec-10

19 Investment properties

(a)

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**1,404,000**	–	**1,404,000**	–
Addition during the year (see note (b) below)	**12,107,832**	1,404,000	**12,107,832**	1,404,000
Transfer from fixed assets (see note 22)	**71,830**	–	**71,830**	–
Disposal during the year	**(324,886)**	–	**(324,886)**	–
	13,258,776	1,404,000	**13,258,776**	1,404,000
Impairment loss during the year (see note 9 (b))	**(315,698)**		**(315,698)**	–
Balance, end of year	**12,943,078**	1,404,000	**12,943,078**	1,404,000

(b) These investment properties were valued by Azuka Iheabunike and Partners, estate surveyors and valuers, in June 2010 using the Comparative method of valuation to arrive at the open market value. As at 31 December 2010, the Directors are of the opinion that there were no material fluctuations in the value of the Bank's investment properties since its last valuation in June 2010.

20 Investment in associate

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**300,155**	650,547	**145,000**	145,000
Reversal of share of prior year losses in associate (see note 33 (d))	**332,027**	–	**–**	–
Share of result for the year	**–**	(775,431)	**–**	–
Dividend paid	**–**	(62,143)	**–**	–
(Reversal)/share of fixed asset revaluation reserve	**(487,182)**	487,182	**–**	–
Disposal during the year	**(145,000)**	–	**(145,000)**	–
Balance, end of year	**–**	300,155	**–**	145,000

This represents the Bank's investment in 116,000,000 (December 2009: 116,000,000) ordinary shares of N1 each in Marina Securities Limited incorporated in Nigeria, representing 29% (December 2009: 29%) equity interest in the company. This investment was disposed of during the year.

21 Other assets

(a) Other assets comprise receivables and prepayments arising from:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
FGN Bonds on repurchase agreement (see note 29 (a))	**5,700,000**	–	**5,700,000**	–
Prepayments (see note (b) below)	**4,203,989**	5,949,436	**2,562,634**	4,791,848
Interest receivable	**2,000,676**	2,120,979	**1,550,316**	1,725,019
Prepaid interest and discounts	**1,031,268**	2,547,120	**705,375**	2,547,120
Deposit for investment (see note (e) below)	**520,042**	500,001	**4,665,815**	1,678,017
Derivative assets (see note (c) below)	**1,110,803**	3,002,720	**416,230**	1,212,811
Other receivables	**9,554,250**	5,687,717	**7,300,106**	3,997,137
	24,121,028	19,807,973	**22,900,476**	15,951,952
Allowance on other assets (see note (d) below)	**(833,895)**	(2,515,320)	**(727,972)**	(2,274,149)
	23,287,133	17,292,653	**22,172,504**	13,677,803

(b) The maturity profile of prepayments is as follows

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Under one year	**1,939,888**	4,328,191	**816,199**	3,707,606
Over one year	**2,264,101**	1,621,245	**1,746,435**	1,084,242
	4,203,989	5,949,436	**2,562,634**	4,791,848

(c) The fair value of derivative instrument held for risk management is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Forward exchange contract assets (see note (a) above)	**1,110,802**	3,002,720	**416,230**	1,212,811
Forward exchange contract liabilities (see note 29 below)	**(725,007)**	(1,833,327)	**–**	–
	385,795	1,169,393	**416,230**	1,212,811

The Group uses derivatives not designated in a qualifying hedge relationship, to manage its exposure to foreign currency and interest rate risks. The instruments used include forward contracts and cross currency linked forward contracts.

(d) The movement on the allowance on other assets during the year is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	**2,515,320**	1,035,318	**2,274,149**	1,016,760
Allowance during the year (see note 9(b))	**649,436**	1,921,261	**558,242**	1,680,090
Allowance no longer required (see note 9(b))	**(1,061,608)**	(441,259)	**(969,506)**	(422,701)
Allowance written off	**(1,269,253)**	–	**(1,134,913)**	–
Balance, end of year	**833,895**	2,515,320	**727,972**	2,274,149

(e) The movement on the deposit for investment during the year is as follows:

	Group 12 months Dec-09	Group 9 months	Bank 12 months Dec-09	Bank 9 months
	N'000	N'000	N'000	N'000
Balance, beginning of year	500,001	–	1,678,017	–
Addition during the year	20,041	500,001	3,131,035	1,678,017
Transfer from investment in subsidiaries (see note 18 (b) above)	–	–	528,402	–
Transfer to investment in subsidiaries (see note 18 (b) above)	–	–	(671,639)	–
Balance, end of year	520,042	500,001	4,665,815	1,678,017

22 Property and equipment

(a) **Group:**

The movement on these accounts during the year is as follows:

	Construction Work in Progress	Freehold, Leasehold Land and Improvements	Furniture Fittings & Equipment	Computer Hardware	Motor Vehicles	Total
COST/VALUATION	N'000	N'000	N'000	N'000	N'000	N'000
Beginning of year	5,268,957	14,377,886	10,892,471	5,407,781	4,976,867	40,923,962
Additions	488,358	1,501,234	1,155,586	707,268	537,785	4,390,231
Disposals	(519,878)	(616,580)	(512,081)	(540)	(483,580)	(2,132,659)
Reversals	(81,279)	(3,781)	(4,410)	–	–	(89,470)
Write off	(18,657)	–	–	–	–	(18,657)
Transfers	(696,879)	922,732	(140,302)	(6,633)	(78,918)	–
Transfer to investment property (see note 19)	–	(71,830)	–	–	–	(71,830)
Translation difference	(185,242)	(70,630)	(39,840)	(30,023)	9,302	(316,433)
End of year	4,255,380	16,039,031	11,351,424	6,078,176	4,961,456	42,685,467
ACCUMULATED DEPRECIATION						
Beginning of year	–	2,000,527	4,974,532	3,195,729	2,808,184	12,978,972
Charge for the year	–	940,112	1,696,093	1,175,341	976,008	4,787,554
Disposals	–	(126,186)	(64,176)	–	(383,369)	(573,731)
Reversals	–	–	–	–	–	–
Translation difference	–	178,629	(208,204)	154,073	(21,902)	102,596
End of year	–	2,993,082	6,398,245	4,525,143	3,378,921	17,295,391

NET BOOK VALUE						
End of year	4,255,380	13,045,949	4,953,179	1,553,033	1,582,535	25,390,076
Beginning of year	5,268,957	12,377,359	5,917,939	2,212,052	2,168,683	27,944,990

(i) No leased asset is included in the above fixed assets accounts.

(ii) Authorised and contracted capital commitments as at the balance sheet date amounted to N24,535,178 (December 2009: N123,420,514).

(b) **Bank:**

The movement on these accounts during the year is as follows:

	Construction Work in Progress	Freehold, Leasehold Land and Improvements	Furniture Fittings & Equipment	Computer Hardware	Motor Vehicles	Total
COST	N'000	N'000	N'000	N'000	N'000	N'000
Beginning of year	4,455,088	10,057,677	8,447,549	4,207,719	3,904,433	31,072,466
Additions	477,722	1,225,516	842,594	432,610	397,197	3,375,639
Disposals	(478,143)	–	(85,014)	(540)	(337,840)	(901,537)
Reversals	(81,279)	(3,781)	(4,410)	–	–	(89,470)
Transfers	(266,886)	223,662	41,588	1,636	–	–
Transfer to investment property (see note 19)	–	(71,830)	–	–	–	(71,830)
Write off	(18,657)	–	–	–	–	(18,657)
End of year	4,087,845	11,431,244	9,242,307	4,641,425	3,963,790	33,366,611
ACCUMULATED DEPRECIATION						
Beginning of year	–	1,462,767	4,273,530	2,769,766	2,412,312	10,918,375
Charge for the year	–	677,615	1,362,393	839,957	725,692	3,605,657
Disposals	–	–	(47,866)	(323)	(270,743)	(318,932)
Reversals	–	–	–	–	–	–
End of year	–	2,140,382	5,588,057	3,609,400	2,867,261	14,205,100
NET BOOK VALUE						
End of year	4,087,845	9,290,862	3,654,250	1,032,025	1,096,529	19,161,511
Beginning of year	4,455,088	8,594,910	4,174,019	1,437,953	1,492,121	20,154,091

(i) No leased asset is included in the above fixed assets accounts.

(ii) Authorized and contracted capital commitments as at the balance sheet date amounted to N24,535,178 (December 2009: N123,420,514).

23 Equipment on Lease:

Equipment on lease represents fixed assets leased to customers under operating lease arrangements. The movement on this account during the year is as follows:

	Motor Vehicle	Equipment	Total
COST	N'000	N'000	N'000
Beginning of year	190,548	5,482,231	5,672,779
Additions	–	152,000	152,000
Disposals	–	(139,000)	(139,000)
Reversals	–	–	–
End of year	190,548	5,495,231	5,685,779
ACCUMULATED DEPRECIATION			
Beginning of year	181,765	3,321,839	3,503,604
Charge for the year	7,131	653,382	660,513
Disposal	–	(39,383)	(39,383)
End of year	188,896	3,935,838	4,124,734
NET BOOK VALUE			
End of year	**1,652**	**1,559,393**	**1,561,045**
Beginning of year	**8,783**	**2,160,392**	**2,169,175**

24 Goodwill

(a) The movement on this account during the year is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	1,738,148	1,738,148	–	–
Addition during the year	–	–	–	–
Balance, end of year	1,738,148	1,738,148	–	–
Impairment	(306,437)	–	–	–
Carrying value	1,431,711	1,738,148	–	–

(b) Goodwill is attributable to the following subsidiaries:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Access Bank Rwanda	681,007	681,007	–	–
Finbank Burundi	369,714	369,714	–	–
Access Bank, Cote D'ivoire	687,427	687,427	–	–
	1,738,148	1,738,148	–	–

The purchased goodwill arising from the Bank's investment in Access Bank, Cote d'Ivoire was impaired as at 31 December 2010 by N306.4 million based on directors' assessment of the future cashflows and country risk.

25 Customer deposits

(a) Deposits and other accounts comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
Demand	N'000	N'000	N'000	N'000
– Current	166,582,337	133,379,004	150,191,179	111,112,350
– Domiciliary	67,747,277	23,168,866	66,324,840	23,385,539
Savings	15,308,599	12,481,014	13,325,442	9,415,973
Term and call	237,287,633	269,530,113	210,700,654	261,922,230
	486,925,846	438,558,997	440,542,115	405,836,092

(b) The maturity profile of deposits and other accounts is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Under 1 month	361,949,520	260,147,651	328,618,920	236,712,183
1-3 months	94,250,745	173,663,918	92,149,398	168,215,202
3-6 months	14,273,365	1,142,605	10,663,440	528,793
6-12 months	14,730,097	3,519,372	8,278,228	294,460
Over 12 months	1,722,121	85,451	832,130	85,454
	486,925,846	438,558,997	440,542,115	405,836,092

26 Due to banks

(a) Balances due to banks comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Foreign borrowing (See note (b) below)	19,786,001	19,994,954	20,996,158	19,994,954
Inter-bank takings	20,793,054	11,619,261	760,262	7,494,000
Current account balances of banks	10,473,780	–	–	–
Due to multi-lateral agencies (see note (c) below)	12,986,518	11,602,626	12,986,518	11,536,729
	64,039,353	43,216,841	34,742,938	39,025,683

(b) Foreign borrowing represents trade related loans from foreign correspondent banks in respect of letters of credit negotiated on behalf of customers. The corresponding receivables from these customers are included in loans and advances.

(c) Due to multilateral agencies represents outstanding obligation in respect of on-lending facilities not yet disbursed as at year end (see note 27) and it includes:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
European Investment Bank	**477,140**	544,838	**477,140**	544,838
African Development Bank	**4,142,759**	4,409,242	**4,142,759**	4,409,242
Belgian Investment Company	**456,150**	400,099	**456,150**	400,099
Finnish Fund for Industrial Cooperation	**760,250**	749,400	**760,250**	749,400
International Finance Corporation	**1,710,563**	1,686,150	**1,710,563**	1,686,150
Netherlands Development Finance Company (FMO)	**3,485,285**	3,747,000	**3,485,285**	3,747,000
Due to Bank of Industry	**954,371**	–	**954,371**	–
Due to Central Bank of Nigeria under the Commercial Agriculture Credit Scheme	**1,000,000**	–	**1,000,000**	–
Others	**–**	65,897	**–**	–
	12,986,518	11,602,626	**12,986,518**	11,536,729

(d) The maturity profile of due to banks is as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Under 1 month	**13,429,601**	24,076,348	**231,394**	20,379,778
1–3 months	**33,002,082**	11,632,692	**16,189,432**	11,138,105
3–6 months	**5,679,465**	7,507,800	**5,335,593**	7,507,800
6–12 months	**–**	–	**–**	–
Over 12 months	**11,928,205**	–	**12,986,519**	–
	64,039,353	43,216,841	**34,742,938**	39,025,683

27 On-lending facilities

(a) On-lending facilities represent obligations to foreign multilateral agencies in respect of the Bank's role as an intermediary (see Note 15) in respect of facilities disbursed to customers.

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
European Investment Bank (see note (b))	**1,045,708**	2,300,454	**1,045,708**	2,300,454
Due to Belgian Investment Company	**–**	49,541	**–**	49,541
Due to African Development Bank (see note (c))	**418,741**	781,969	**418,741**	781,969
Due to Nigeria Export Import Bank	**100,000**	–	**100,000**	–
Due to Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (d))	**2,976,000**	–	**2,976,000**	–
Due to Bank of Industry (see note (e))	**18,145,329**	–	**18,145,329**	–
	22,685,778	3,131,964	**22,685,778**	3,131,964

(b) The amount of N1,045,708,000 (USD 6,877,396) represents outstanding balance in the on-lending facility granted to the Bank by EIB (European Investment Bank) in September 2005 for a period of 9 years. Principal and interest are repayable quarterly and semi annually based on the terms of the facilities with the obligor. Interest is reset every 90 days at 2.2% – 2.9% above LIBOR. The Bank provided negative pledge as a security for this facility. The undisbursed balance is included in due to other banks (see note 26 (c)).

(c) The amount of N418,741,000 (USD 2,753,969) represents the outstanding balance in the on-lending facility granted to the Bank by ADB (African Development Bank) for a period of 9 years commencing in August 2007 with a moratorium of 2 years. The principal amount is repayable semi annually after the moratorium year while interest is payable semi annually at 3% above LIBOR. The Bank provided negative pledge as a security for this facility. The undisbursed balance is included in due to banks (see note 26 (c)).

(d) The amount of N2,976,000,000 represents the outstanding balance in the on-lending facility granted to the Bank by Central Bank of Nigeria in collaboration with the Federal Government of Nigeria (FGN) in respect of Commercial Agriculture Credit Scheme (CACS) established by both CBN and the FGN for promoting commercial agricultural enterprises in Nigeria. The facility is for a maximum period of 7 years at a zero percent interest rate to the Bank. The principal amount is repayable at the expiration of the loan. The Bank did not provide security for this facility. The undisbursed balance is included in due to other banks (see note 26 (c)).

(e) The amount of N18,145,329,000 represents an intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria for the purpose of refinancing / or restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and manufacturing companies. The total facility is secured by Nigerian Government Securities worth N22,660,000,000 and has a 15 year tenor. A management fee of 1% deductible at source is paid by the Bank under the on-lending agreement and the Bank is under obligation to on-lend to customers at an all-in interest rate of 7% per annum. Though the facility is meant for on-lending to borrowers in specified sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers. The undisbursed balance is included in due to other banks (see note 26 (c)).

(f) The maturity profile of amounts due to foreign multilateral agencies stated above for on-lending is as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
3–6 months	**100,000**	–	**100,000**	–
6–12 months	**18,145,329**	–	**18,145,329**	–
Over 12 months	**4,440,449**	3,131,964	**4,440,449**	3,131,964
	22,685,778	3,131,964	**22,685,778**	3,131,964

28 Debt securities in issue

(a) Debt securities comprise:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Access Bank bond holders (see note (b) below)	**–**	2,604,277	**–**	2,604,277
Other bonds issued	**–**	–	**–**	–
	–	2,604,277	**–**	2,604,277

(b) (i) The movement in the convertible bond during the year is as follows:

	Group Dec-10	Group Dec-09	**Bank Dec-10**	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**2,604,277**	8,961,189	**2,604,277**	8,961,189
Redemption during the year (see note (b (ii)) below)	**(2,604,277)**	(5,700,565)	**(2,604,277)**	(5,700,565)
Conversion to ordinary shares	**–**	(551,000)	**–**	(551,000)
	–	2,709,624	**–**	2,709,624
Unamortized bond issue cost	**–**	(105,347)	**–**	(105,347)
Balance, end of year	**–**	2,604,277	**–**	2,604,277

(ii) The final installment balance of the 14% redeemable convertible bond was fully redeemed on 15 June 2010.

29 Other liabilities

(a) Other Liabilities comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Liability under repurchase agreement (see note 21(a))	5,700,000	–	5,700,000	–
Foreign currency denominated liabilities (see note 13(c))	25,609,806	6,076,115	25,609,806	6,076,115
Interest payable	1,139,969	1,113,038	777,944	851,000
Accrued expenses	1,220,380	2,486,432	650,876	905,294
Managers' cheques	3,400,913	4,125,279	3,351,461	4,040,154
Unearned income	67,932	21,692	–	–
Staff Pension Fund	102,727	65,775	47,687	65,775
Borrowings	80,921	–	–	–
Derivative liability (see note (21(c))	725,007	1,833,327	–	–
Unclaimed dividend (see note 13(b)	5,428,751	4,192,687	–	–
Due to customers	936,889	1,125,660	–	–
Collections	4,535,706	3,513,332	4,535,706	3,513,332
Others	2,940,907	6,352,446	2,496,282	1,637,384
	51,889,908	30,905,783	43,169,762	17,089,054

30 Share capital

(a) Authorised:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Ordinary shares				
18,000,000,000 Ordinary shares of 50 kobo each	9,000,000	9,000,000	9,000,000	9,000,000
Preference shares				
2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000	1,000,000	1,000,000
	10,000,000	10,000,000	10,000,000	10,000,000
Issued and fully-paid				
17,888,251,478 (December 2009: 16,262,046,799) Ordinary shares of 50k each	8,944,126	8,131,024	8,944,126	8,131,024

(b) The movement on this account during the year was as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	8,131,024	8,107,130	8,131,024	8,107,130
Issue of shares	–	23,894	–	23,894
Transfer from bonus issue reserve (see note (c))	813,102	–	813,102	–
Balance, end of year	8,944,126	8,131,024	8,944,126	8,131,024

(c) The shareholders declared bonus shares of 1 new ordinary share for 10 previously held at the Annual General Meeting on 26 May 2010. The bonus issue reserve in respect of the issue was capitalised to share capital during the year.

31 Capital reserve

This balance represents the surplus nominal value of the reconstructed shares of the Bank which was transferred from the share capital account to the capital reserve account after the share capital reconstruction in October 2006. The shareholders approved the reconstruction of 13,956,321,723 ordinary shares of 50k each of the Bank in issue to 6,978,160,860 ordinary shares of 50k each by the creation of 1 ordinary share for 2 ordinary shares previously held.

32 Share premium

The movement on this account during the year is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	146,160,837	146,446,833	146,160,837	146,446,833
Premium from share issue (see note 30 (c) above)	–	527,106	–	527,106
Transfer to bonus reserve (see note 33(g) below)	–	(813,102)	–	(813,102)
Balance, end of year	146,160,837	146,160,837	146,160,837	146,160,837

33 Other reserves

(a) Other reserves comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Statutory reserve (see (b) below)	16,306,810	14,367,094	16,306,810	14,367,094
Small and Medium industries reserve (see note (c) below)	826,568	800,393	826,568	800,393
Fixed assets revaluation reserve (see (f) below)	51,727	538,909	–	–
General reserve (see (d) below)	(1,140,641)	(7,482,217)	6,777,393	(610,507)
Bonus reserves (see (g) below)	–	813,102	–	813,102
Foreign currency translation reserve (see (e) below)	32,618	669,535	–	–
	16,077,082	9,706,816	23,910,771	15,370,082

(b) The movement on the statutory reserve is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	14,367,094	14,367,094	14,367,094	14,367,094
Transfer from profit and loss account	1,939,716	–	1,939,716	–
Balance, end of year	16,306,810	14,367,094	16,306,810	14,367,094

In accordance with existing legislation, the Bank transferred 15% of its profit after tax to the statutory reserve account.

(c) (i) The movement on the small and medium industries reserve is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	800,393	945,009	800,393	945,009
Transfer from/(to) general reserve	26,175	(144,616)	26,175	(144,616)
Balance, end of year	826,568	800,393	826,568	800,393

(ii) The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licenced banks set aside a portion of the profit after tax in a fund to be used to finance equity investment in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by a CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax.

However, this is no longer mandatory. The small and medium scale industries equity investment scheme reserves are non-distributable.

(d) The movement on general reserve during the year is as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	N'000	N'000
Balance, beginning of year	(7,482,217)	9,449,176	(610,507)	11,475,611
Adjustment to opening reserve	308,527	(1,531,445)	–	–
Opening balance, restated	(7,173,690)	7,917,731	(610,507)	11,475,611
Reversal of share of prior year losses in associate (see note 20)	332,027	–	–	–
Transfer to/(from) SME reserve	(26,175)	144,616	(26,175)	144,616
Transfer from profit and loss account	5,727,197	(4,194,582)	7,414,075	(880,752)
Dividend paid	–	(11,349,982)	–	(11,349,982)
Balance, end of year	(1,140,641)	(7,482,217)	6,777,393	(610,507)

(e) The movement on the foreign currency translation reserve during the year was as follows:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**669,535**	1,355,269	**–**	–
Translation loss during the year	**(636,917)**	(685,734)	**–**	–
Balance, end of year	**32,618**	669,535	**–**	–

(f) Revaluation reserve represents surplus on revaluation of the fixed assets of a subsidiary company and an associated entity's fixed assets recognised directly in reserves and comprises:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Subsidiary companies (see note 22)	**51,727**	51,727	**–**	–
Associated company (see note 20)	**–**	487,182	**–**	–
Balance, end of year	**51,727**	538,909	**–**	–

(g) Bonus issue reserve comprise:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Balance, beginning of year	**813,102**	–	**813,102**	–
Transfer from share premium account	**–**	813,102	**–**	813,102
Transfer to share capital account (see note (30) above)	**(813,102)**	–	**(813,102)**	–
Balance, end of year	**–**	813,102	**–**	813,102

34 Non-controlling interest

The movement in non-controlling interest during the year is shown below:

	Group Dec-10	Group Dec-09
	N'000	N'000
Balance, beginning of year	**858,291**	1,028,533
Capital contributed by minorities during the year	**140,856**	606,264
Share of loss for the year	**(176,442)**	(207,584)
Transfer to reserves	**(16,876)**	(282,295)
Loss in equity interest	**–**	(123,168)
Translation reserve	**(106,497)**	(163,459)
	699,332	858,291

35 Earnings and dividend per share

	Group 12 Months Dec-10	Group 9 Months Dec-09	Bank 12 Months Dec-10	Bank 9 Months Dec-09
	N'000	N'000	**N'000**	N'000
Profit/(loss) attributable to equity holders	**11,244,563**	(4,194,582)	**12,931,441**	(880,752)
Declared dividend	**3,577,650**	11,349,982	**3,577,650**	11,349,982
Earnings/(loss) per share – Basic	**63k**	(26)k	**72k**	(5)k
– Adjusted	**63k**	(23)k	**72k**	(5)k
Declared dividend per share	**20k**	70k	**20k**	70k
Number of ordinary shares of 50k	**17,888,252**	16,262,047	**17,888,252**	16,262,047

36 Acceptances, bonds, guarantees and other obligations

These comprise:

(a) Amount for the account of customers:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
Guaranteed BAs/CPs	**66,918**	233,037	**–**	–
Transaction related bonds and guarantees (see note (b) below)	**135,855,769**	89,065,023	**125,877,403**	85,106,123
Letters of credit	**102,128,235**	48,312,144	**68,574,528**	40,530,788
Guaranteed facilities	**830,500**	445,307	**–**	–
	238,881,422	138,055,511	**194,451,931**	125,636,911

(b) Included in transaction related bonds are cash collaterised bonds and guarantees amounting to N7,728,351,732 (December 2009: N21,508,995,172).

37 Net cash flows from operating activities before changes in operating assets:

This comprises:

	Group 12 months Dec-10	Group 9 months Dec-09	Bank 12 months Dec-10	Bank 9 months Dec-09
	N'000	N'000	**N'000**	N'000
Profit/(loss) after taxation	**11,068,121**	(4,402,166)	**12,931,441**	(880,752)
Add: tax charge/(credit) for the year	**5,100,749**	920,601	**4,737,143**	922,475
	16,168,870	(3,481,565)	**17,668,584**	41,723
Adjustments to reconcile profit/(loss) after taxation to net cash flow from operations:				
Depreciation – Fixed assets (see note 8 (a))	**4,787,554**	3,492,324	**3,605,659**	2,596,811
– Equipment on lease (see note (8))	**660,513**	424,479	**660,513**	424,479
(Profit)/loss on disposal of fixed assets	**(127,552)**	(124,840)	**(142,500)**	(24,706)
Loss on disposal of equipment on lease	**54,286**	–	**54,286**	–
Loss on disposal of investment properties	**84,041**	–	**84,041**	–
Impairment loss on investment property	**315,698**	–	**315,698**	–
Impairment loss on long term investment	**–**	–	**264,557**	–
Provision for risk assets (see note 9)	**4,524,369**	16,650,665	**2,917,513**	16,171,832
Provision for other assets	**(412,172)**	1,480,002	**(411,264)**	1,257,389
Impairment charge/(reversal) on SME investment	**(26,175)**	144,616	**(26,175)**	144,616
Impairment charge on goodwill	**306,437**	–	**–**	–
Fixed assets written off	**18,657**	594,686	**18,657**	258,620
Share of associate's loss	**–**	775,431	**–**	–
Interest paid on borrowings	**186,525**	605,526	**172,508**	605,526
Loss on underwriting commitment	**–**	3,256,198	–	3,256,198
Dividend income received	**(199,489)**	(184,955)	**(199,440)**	(184,955)
Revaluation loss/(gain)	**–**	(113,900)	**–**	(113,900)
Net cash flow from operating activities	**26,341,562**	23,518,668	**24,982,637**	24,433,633

38 Changes in operating assets

This comprises:

	Group Dec-10	Group Dec-09	Bank Dec-10	Bank Dec-09
	N'000	N'000	**N'000**	N'000
(Increase)/decrease in operating assets				
Cash reserve balance	**(570,240)**	2,824,461	**(570,240)**	2,824,461
Investment securities – short term	**25,009,672**	(23,249,279)	**25,716,012**	(23,705,878)
Loans and advances	**(61,944,500)**	13,967,059	**(57,124,801)**	15,040,185
Other facilities	**(19,553,815)**	2,011,498	**(19,553,815)**	2,011,498
Advances under finance leases	**1,165,580**	(486,621)	**1,032,929**	(10,668)
Other assets	**(5,347,838)**	(193,542)	**(7,992,208)**	1,339,993
Increase/(decrease) in operating liabilities				
Deposits and other accounts	**48,366,849**	11,975,385	**34,706,024**	3,692,369
Due to banks	**20,822,512**	13,033,816	**(4,282,745)**	8,514,384

On-lending facilities	**19,553,815**	(2,011,497)	**19,553,814**	(2,011,497)
Other liabilities	**20,984,125**	(16,764,480)	**26,080,708**	(19,714,196)
	48,486,160	1,106,800	**17,565,678**	(12,019,349)

39 Cash and cash equivalents

For the purpose of reporting on cash flows, cash and cash equivalents include cash, treasury bills and other eligible bills, operating account with other banks and amounts due from other banks.

	Group 12 months Dec-10	Group 9 months Dec-09	**Bank 12 months Dec-10**	Bank 9 months Dec-09
Cash and balances with central banks	**N'000**	N'000	**N'000**	N'000
(less restricted balances) (see note 11(a))	**21,829,262**	61,596,910	**14,082,361**	55,247,133
Treasury bills (see note 12)	**35,857,812**	17,207,973	**11,618,000**	10,926,086
Due from other banks (see note 13)	**103,182,124**	93,177,107	**72,177,480**	76,191,705
	160,869,198	171,981,990	**97,877,841**	142,364,924

40 Contravention of the Banks and other Financial Institutions Act of Nigeria and CBN Circulars

The Bank was charged a penalty of N94 million for non-compliance with CBN circular BSD/DO/CIR/VOL.1/01/2001 on appointment of top management in banks during the year ended 31 December 2010 (2009: Nil).

41 Claims and litigation

The Bank, in its ordinary course of business, is presently involved in 174 cases as a defendant (31 December 2009: 131) and 55 cases as a plaintiff (31 December 2009: 58). The total amount claimed in the 174 cases against the Bank is estimated at N29,131,136,389 (31 December 2009: N13,406,430,457) while the total amount claimed in the 55 cases instituted by the Bank is N7,768,823,071 (31 December 2009: N14,125,333,559). The Directors having sought the advice of professional legal counsel are of the opinion that based on the advice received, no significant liability will crystallise from these cases. No provisions are therefore deemed necessary for these claims.

In the normal course of business, the group is a party to financial instruments with off-balance sheet risks. These instruments are issued to meet the credit and other financial requirements of customers. The total off-balance sheet assets for the Group was N238,881,422,000 (2009: N138,055,511,000) and N194,451,931,000 (2009: N125,636,911,000) was for the Bank.

42 Prior year corresponding balances

Certain prior year corresponding balances have been reclassified to conform with the current year presentation format and enhance comparability as below:

(a) Interest and similar income

	Group 9 months Dec-09	Bank 9 months Dec-09
	N'000	N'000
Balance as at 31 December 2009	47,563,081	42,932,635
Reclassification to interest and similar expense (see note (b) below)	18,904,086	18,904,086
Balance as at 31 December 2009 as restated	66,467,167	61,836,721

(b) Interest and similar expense

	Group 9 months Dec-09	Bank 9 months Dec-09
	N'000	**N'000**
Balance as at 31 December 2009	11,337,058	9,818,905
Reclassification from interest and similar income (see note (a) above)	18,904,086	18,904,086
Balance as at 31 December 2009 as restated	30,241,144	28,722,991

43 Related party transactions

(a) Related party deposit

As at year ended 31 December 2010, the Bank had various deposits from Directors and related companies totalling N6,986,519,320 (December 2009: N8,019,597,238).

(b) Risk assets outstanding as at 31 December 2010

Direct credit assets

As at the year ended 31 December 2010, the Bank had various credit facilities outstanding from companies whose directors are also directors of Access Bank Plc at rates and terms comparable to other facilities in the Bank's portfolio. An aggregate of N58,866,046,399 (December 2009: N49,200,334,879) was outstanding on these various facilities at the end of the year, of which N47,204,787 (December 2009: N35,420,589) were non-performing. Details of related party credits are presented below:

Name of the company/individual	Relationship to Reporting Institution	Name of the Directors	Facility Type
Integrated Wireless Technologies	Chairman	Mr Gbenga Oyebode	Time Loan
Aluko & Oyebode	Chairman	Mr Gbenga Oyebode	Term Loan Term Loan
Asset Management Group Ltd.	Chairman	Mr Gbenga Oyebode	On Lending Term Loan
MTN Communications	Chairman	Mr Gbenga Oyebode	Time Loan
Staff Investment Trust Scheme	Staff	Mr. Tek Koroye Mr Herbert Wigwe	Term Loan
Yinka Folawiyo & Sons Ltd.	Director	Mr. Tunde Folawiyo	Term Loan
F Energy Limited	Director	Mr. Tunde Folawiyo	Overdraft Term Loan
DTD Services Ltd	Director	Mr Tunde Folawiyo	Term Loan
Decoll Prime Links Limited	Director	Mr Dere Otubu	Overdraft
Standand Trust Assurance Plc	Director	Mr Dere Otubu	Overdraft Finance Lease Time Loan
SIC Property and Investment Company	Director	Mr Dere Otubu	Term Loan Time Loan Overdraft
Marina Securities Limited	Director	Mr Aigboje Aig-Imoukhuede Mr Herbert Wigwe	Overdraft Time Loan
Etareotu Doris Koroye	Director	Mr Tek Koroye	Finance Lease Finance Lease
Obeahon-Ohiwerei Isioma Gloria	Director	Mr Obeahon Ohiwerei	Finance Lease
Coscharis Motors Limited	Director	Dr Cosmas Maduka	Overdraft USANCE Term Loan
Coscharis Technologies Limited	Director	Dr Cosmas Maduka	Overdraft
Simply Gifts & Interiors	Director	Mr Okey Nwuke	Auto Loan
VICTORIA M SULEIMAN	Ex-Director	Oba Shafi Sule	Overdraft
Alh Ahmed BH	Ex-Director	Alh Ahmadu Haruna	
DotDot Nig Ltd	Ex-Director	Hon Dotun Animashaun	Overdraft

Off balance sheet engagements

Included in off balance sheet engagements is an amount of N1.39 billion (December 2009: N3.66 billion) representing Bonds and Guarantees to companies in which certain directors and shareholders have interests. The balances as at 31 December 2010 are as follows:

Name of Company/Individual	Relationship to Reporting Institution	Facility type	Outstanding credit
Coscharis Motors Limited	Director	Clean line LC Unconfirmed	760,250,000
		operative LC	308,052,090
		Bid bond	3,734,500
Coscharis Technologies Limited	Director	Clean line LC	322,409,586
			1,394,446,175

Amount	Status	Nature of security
4,875,000	Performing	Debenture
9,583,000 12,901,000	Performing Performing	Personal Guarantee Personal Guarantee
849,455,575 2,120,554,331	Performing Performing	Domiciliation Domiciliation
16,486,720,000	Performing	Negative Pledge
8,250,875,000	Performing	Lien on Shares
300,023,000	Performing	Legal Mortgage Cash Backed Lien On shares
19,584,925,000	Performing	All Assets Debenture Lien on Deposits
869,668,000 1,294,874,000	Performing Performing	Legal Mortgage Corporate guarantee Personal guarantee Insurance Legal Mortgage Corporate guarantee Personal guarantee Insurance
130,559,706	Performing	Legal Mortgage
221,970,000 18,055,000 450,000,000	Performing Performing Performing	Lien on deposit Vehicle financed Debenture
2,500,000,000 366,000,000 5,096,000	Performing Performing Performing	Shares, cash and guarantee
303,435,000 1,200,000,000	Performing	Lien on shares LM on Property valued at N2.5b
1,581,000 823,000	Performing Performing	Vehicle financed Equipment financed
1,785,000	Performing	Vehicle financed
636,930,000 1,430,325,000 1,575,000,000	Performing Performing Performing	Negative Pledge Negative Pledge Negative Pledge
192,159,000	Performing	Corporate Guarantee
669,000	Performing	Vehicle financed
10,572,000	Non Performing	NA
10,430,787	Non Performing	Legal Mortgage
26,202,000	Non Performing	Mortgage PG Legal Mortgage
58,866,046,399		

Status	Nature of security
Performing	Negative pledge
Performing	

44 (a) Compliance Plan with Central Bank of Nigeria's Regulation on the Scope of Banking Activities

Section 6 (1) of the Central Bank of Nigeria Regulation on the Scope of Banking activities and ancillary matters issued on 7 September 2010 requires every bank currently operating under a universal banking licence to submit to the Central Bank of Nigeria for approval a compliance plan duly approved by the bank's Board of Directors. The regulation requires banks to divest from all non-banking businesses and apply for a new type of banking licence based on the decision of the Bank's Board of Directors.

The Bank's compliance plan which was duly approved by the Board of Directors on 28 October 2010 is as follows:

Proposed type of banking licence

The Board of Directors of the Bank reviewed the options provided by the new licensing regime instituted by the Central Bank of Nigeria and resolved that the Bank should apply for an International Commercial Banking licence. By this, the Bank shall maintain a minimum paid up share capital of N50,000,000,000 (fifty billion naira) as required by the new CBN Regulation No 01, 2010 on the Scope, Conditions and Minimum Standards for Commercial Banks.

Divestment from non-banking subsidiaries

The Bank has three non-banking subsidiaries which are: United Securities Limited, Access Investment and Securities Limited and Access Homes and Mortgages Limited.

United Securities Limited, a wholly owned subsidiary of Access Bank Plc, is a Securities and Exchange Commission licenced provider of securities register and data administration services. The Company was acquired by the Bank in 2008 and currently has an authorised share capital of N50 million.

The Board of Directors has resolved to sell the Company as a going concern to an acceptable core investor.

Access Investment and Securities Limited, a wholly owned subsidiary of Access Bank Plc, is the investment management subsidiary of the Bank. The Company commenced operation in 2008 and currently has an authorised share capital N500 million.

The Board of Directors resolved that the Company would undergo members' voluntary winding up except if a willing buyer is found before the conclusion of the winding up process.

Access Homes and Mortgages Limited, a wholly owned subsidiary of Access Bank Plc, was incorporated in 2008 and licensed by CBN to carry on mortgage banking business in January 2009 with an authorised share capital of N1 billion.

The Board of Directors resolved that the Bank will integrate the operations of Access Homes and Mortgages Limited into its own operations and the assets and liabilities of the company will be transferred to the Bank.

The financial position and performance of these subsidiaries have been consolidated as control still exists as at the balance sheet date.

(b) The total assets, net assets and gross earnings of the subsidiaries to be disposed and/or wound up are presented below:

	United Securities Limited	Access Investment and Securities	Total
	N'000	N'000	N'000
Total assets	6,093,521	604,898	6,698,419
Net assets	467,701	529,113	996,814
Gross earnings	318,975	9,684	328,659

45 Post balance sheet event

There were no post balance sheet events which could have a material effect on the financial position of the Group as at 31 December 2010 or the profit for the year ended on that date that have not been adequately provided for or disclosed.

Statement of Value Added

For the year ended 31 December 2010

	Group Dec-10 12 months	Group Dec-09 9 months	**Bank Dec-10 12 months**	Bank Dec-09 9 months
	N'000	N'000	**N'000**	N'000
Gross earnings	**91,142,064**	84,980,554	**79,065,123**	75,847,752
Interest expense				
– Local	**(17,029,265)**	(26,054,378)	**(17,043,282)**	(26,050,382)
– Foreign	**(4,404,932)**	(3,581,241)	**(2,323,017)**	(2,067,083)
Fees and commission expense	**–**	–	**–**	–
	69,707,867	55,344,935	**59,698,824**	47,730,287
Group's share of associate's loss	**–**	(775,431)		
Loan loss expense:	**(4,524,369)**	(16,650,665)	**(2,917,513)**	(16,171,832)
Allowance on other assets	**(183,788)**	(4,880,816)	**(142,816)**	(4,658,203)
Allowance no longer required				
Bought-in-materials and services				
– Local	**(27,580,212)**	(21,831,692)	**(22,989,212)**	(16,332,621)
– Foreign	**–**	–	**–**	–
Value added	**37,419,498**	11,206,331	**33,649,283**	10,567,631

Distribution of Value Added		**%**		**%**		**%**		
***To employees*:**								
Employees costs	**15,616,036**	42	10,165,567	91	**11,542,019**	35	6,899,092	65
To government								
Government as taxes	**5,100,749**	14	920,601	8	**4,737,143**	14	922,475	9
To providers of finance								
Interest on borrowings	**186,525**	–	605,526	5	**172,508**	–	605,526	6
Interim dividend to shareholders	**3,577,650**	10	–	–	**3,577,650**	11	–	–
Retained in business:								
– For replacement of fixed assets	**4,787,554**	13	3,492,324	31	**3,605,659**	11	2,596,811	25
– For replacement of equipment on lease	**660,513**	2	424,479	4	**660,513**	2	424,479	4
– To pay interim dividend	**5,366,476**	14	–	–	**5,366,476**	16	–	–
– To augment reserve	**2,123,995**	6	(4,402,166)	(39)	**3,987,315**	12	(880,752)	(8)
	37,419,498	**100**	11,206,331	100	**33,649,283**	**100**	10,567,631	100

Four-year Financial Summary
For the year ended 31 December 2010

Group

	31-Dec-10 12 months	31-Dec-09 9 months	31-Mar-09 12 months	31-Mar-08 12 months
	N'000	N'000	N'000	N'000
Assets				
Cash and balances with Central Bank of Nigeria	25,395,293	64,592,701	50,244,054	34,818,118
Treasury bills	35,857,812	17,207,973	12,781,254	102,499,255
Due from other banks	103,182,124	93,177,107	102,784,916	550,887,906
Loans and advances to customers	429,782,319	383,778,168	418,194,487	245,836,040
On-lending facilities	22,685,778	3,131,963	5,092,026	5,096,061
Advances under finance lease	3,084,393	4,249,973	3,725,766	2,497,683
Investment securities	119,665,960	75,057,381	72,286,917	59,471,422
Investment in subsidiaries	–	–	–	4,034,589
Investment properties	12,943,078	1,404,000	–	–
Investment in associates	–	300,155	650,547	145,000
Other assets	23,287,133	17,292,653	17,846,304	13,188,296
Property and equipment	25,390,076	27,944,990	23,390,109	14,107,593
Equipment on lease	1,561,045	2,169,175	1,591,555	1,363,474
Deferred tax asset	557,050	1,739,551	–	
Goodwill	1,431,711	1,738,148	1,738,148	–
	804,823,772	693,783,938	710,326,082	1,033,945,437
Liabilities				
Customer deposits	486,925,846	438,558,997	430,096,946	353,746,401
Due to other banks	64,039,353	43,216,841	30,183,025	69,402,840
On-lending facilities	22,685,778	3,131,964	5,143,461	5,147,536
Debt securities in issue	–	2,604,277	8,961,189	11,947,500
Current income tax	3,492,485	6,982,029	6,586,353	2,659,923
Other liabilities	51,889,908	30,905,783	44,156,931	415,851,544
Deferred taxation	419,945	37,999	10,053	624,523
Borrowings	–	–	–	2,704,505
	629,453,315	525,437,890	525,137,958	862,084,772
Net Assets	175,370,457	168,346,048	185,188,124	171,860,665
Capital And Reserves				
Share capital	8,944,126	8,131,024	8,107,130	8,071,252
Capital reserve	3,489,080	3,489,080	3,489,080	3,489,080
Share premium	146,160,837	146,160,837	146,446,833	146,047,149
Other reserves	16,077,082	9,706,816	26,116,548	14,197,047
Non-controlling interest	699,332	858,291	1,028,533	56,137
	175,370,457	168,346,048	185,188,124	171,860,665
Commitments and contingents	238,881,422	138,055,511	142,633,973	155,725,829
Gross earnings	91,142,064	84,980,554	89,552,702	57,627,098
(Loss)/profit before taxation	16,168,870	(3,481,565)	26,185,429	19,042,106
(Loss)/profit after taxation	11,068,121	(4,402,166)	20,814,216	16,056,464
Non controlling interest	176,442	207,584	–	–
Profit attributable to equity holders	11,244,563	(4,194,583)	20,814,216	16,056,464
Dividend paid	3,577,650	11,349,982	10,492,625	2,791,263
(Loss)/earnings per share - Basic	63k	(26)k	141k	173k
– Adjusted	63k	(23)k	128k	99k
Number of ordinary shares of 50k	17,888,252	16,262,047	16,214,258	16,142,502

* Declared dividend represents the dividend declared and paid during the year.

Five-year Financial Summary
For the year ended 31 December 2010

Bank

	31-Dec-10 12 months	31-Dec-09 9 months	31-Mar-09 12 months	31-Mar-08 12 months	31-Mar-07 12 months
	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with Central Bank of Nigeria	**17,648,392**	58,242,924	47,208,865	34,742,542	30,496,874
Treasury bills	**11,618,000**	10,926,086	11,480,869	101,488,368	32,832,623
Due from other banks	**72,177,480**	76,191,705	88,114,393	551,067,355	127,936,377
Loans and advances to customers	**403,178,957**	360,387,649	391,688,687	244,595,621	107,750,578
On-lending facilities	**22,685,778**	3,131,963	5,092,026	5,096,061	3,256,564
Advances under finance lease	**2,741,092**	3,774,020	3,725,766	2,497,683	1,024,185
Investment securities	**116,811,620**	72,732,689	71,449,604	59,456,866	10,280,256
Investment in subsidiaries	**24,261,123**	23,299,346	20,390,610	4,749,375	211,021
Investment properties	**12,943,078**	1,404,000	–	–	–
Investment in associates	**–**	145,000	145,000	145,000	72,500
Other assets	**22,172,504**	13,677,803	15,841,206	13,275,063	5,521,365
Property and equipment	**19,161,511**	20,154,091	18,132,114	13,364,613	8,161,511
Equipment on lease	**1,561,045**	2,169,175	1,591,555	1,363,474	1,071,340
Deferred tax asset	**–**	1,338,268	4,346	–	–
Goodwill	**–**	–	–	–	–
	726,960,580	647,574,719	674,865,041	1,031,842,021	328,615,194
Liabilities					
Customer deposits	**440,542,115**	405,836,092	405,657,055	351,789,279	205,234,734
Due to other banks	**34,742,938**	39,025,683	30,511,299	71,952,549	6,616,718
On-lending facilities	**22,685,778**	3,131,964	5,143,461	5,147,536	3,289,458
Debt securities in issue	**–**	2,604,277	8,961,189	11,947,500	–
Current income tax	**2,959,976**	6,736,626	6,471,362	2,659,923	1,751,833
Other liabilities	**43,169,762**	17,089,054	33,289,918	415,725,624	82,821,752
Deferred taxation	**355,197**	–	–	617,584	515,808
	544,455,766	474,423,696	490,034,284	859,839,995	300,230,303
Net Assets	**182,504,814**	173,151,023	184,830,757	172,002,026	28,384,891
Capital and Reserves					
Share capital	**8,944,126**	8,131,024	8,107,130	8,071,252	3,489,081
Capital reserve	**3,489,080**	3,489,080	3,489,080	3,489,080	3,489,080
Share premium	**146,160,837**	146,160,837	146,446,833	146,047,149	20,277,386
Other reserves	**23,910,771**	15,370,082	26,787,714	14,394,545	1,129,344
	182,504,814	173,151,023	184,830,757	172,002,026	28,384,891
Commitments and contingents	**194,451,931**	125,636,911	134,224,075	155,169,565	80,130,170
Gross earnings	**79,065,123**	75,847,752	84,643,020	57,627,098	27,881,451
Profit before taxation	**17,668,584**	41,723	28,105,815	19,042,106	8,043,165
(Loss)/profit after taxation	**12,931,441**	(880,752)	22,885,794	16,056,464	6,083,439
Dividend paid	**3,577,650**	11,349,982	10,492,625	2,791,263	–
(Loss)/earnings per share - Basic	**72k**	(5)k	141k	173k	87k
– Adjusted	**72k**	(5)k	141k	99k	87k
Number of ordinary shares of 50k	**17,888,252**	16,262,047	16,214,258	16,142,502	6,978,161

* Declared dividend represents the dividend declared and paid during the year.

Notice of the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General meeting of members of ACCESS BANK PLC will be held at the Lagoon Restaurant, Ozumba Mbadiwe Avenue, Victoria Island, Lagos on the 28 day of April 2011 at 12:00 noon to transact the following:

Ordinary business

To consider and, if thought fit, pass the following as Ordinary Resolutions:

1. To receive and consider the report of the Directors, the Balance Sheet, together with the Profit and Loss Account and the Auditor's Report thereon, for the period ended 31 December, 2010
2. To elect/re-elect Directors;
3. To declare a dividend;
4. To authorise the Directors to fix the remuneration of the Auditors;
5. To elect/re-elect members of the Audit Committee.

Special business

A. To consider and if thought fit pass the following resolutions as an Ordinary Resolution:
   6. That the Directors' fee for the financial year ending 31 December 2011 be and is hereby fixed at N7,900,000.00 (seven million, nine hundred thousand Naira only).

B. To consider and; if thought fit; pass the following resolution as a Special Resolution:
   7. That subject to all relevant regulatory approvals being obtained, the Directors be and are hereby authorised to establish for the benefit of employees of the Company or any of its subsidiaries an Employee Performance Share Plan for the award of units of the Company's shares to the Company's employees on such terms and conditions as the Directors shall from time to time consider appropriate.

Proxy

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not also be a member. A proxy form is attached to the Notice and it is valid for the purpose of the meeting. All instruments of proxy should be duly stamped at the Stamp Duties Office and deposited at the office of the Registrars, United Securities Limited, 14, Idowu Taylor Street, Victoria Island, Lagos, not less than 48 hours prior to the time of the meeting.

Dated this 4th day of April 2011

BY ORDER OF THE BOARD

SUNDAY EKWOCHI
COMPANY SECRETARY

Notes

Dividend
If the proposed dividend of 30 Kobo per share is approved, dividend warrants will be posted on Thursday, 28 April, 2011 to shareholders whose names appear in the Register of Members on 10 April, 2011.

Closure of Register of Members
The Register of Members and Transfer Books of the Bank will be closed on 11 April, 2011 to enable the Registrar to prepare for the payment of the dividend.

Audit Committee
In accordance with S.359(5) of the Companies and Allied Matters Act, 1990, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

Capital Formation History

TIMELINE	Number of Shares	Amount
11/5/98 Public Issue for Cash	1,200,000,000	600,000,000
21/9/2001 Bonus	300,000,000	150,000,000
23/09/2001 Public Issue for Cash	1,200,000,000	600,000,000
31/03/2003 Bonus	300,000,000	150,000,000
30/08/2004 Bonus	1,000,000,000	500,000,000
31/08/2005 Bonus	1,158,746,000	579,373,000
31/09/2005 Public Issue for Cash	4,111,214,000	2,055,607,000
31/11/2005 Private Placement	499,358,000	249,679,000
31/12/2005 Share Exchange-Capital & Marina	4,187,003,722	2,093,501,861
31/10/2006 Share Reconstruction	(6,978,160,860)	(3,489,080,430)
31/07/2007 Public Issue for Cash	9,164,340,987	4,582,170,494
31/12/2008 IFC Loan Conversion to Equity	71,756,590	35,878,395
31/06/2009 Bond Conversion	47,788,360	23,894,180
31/06/2010 Bonus	1,626,204,679	813,102,000
End of year	**17,888,251,478**	**5,685,779**

E-dividend Mandate Form

Following the passing into law by the National Assembly and the official launch of the E-dividend payment system, all registrars have been mandated to effect payment of dividend on behalf of their client companies electronically.

The E-dividend payment system ensures that your dividend is credited directly into the bank account of your choice within 24 hours of the payment date.

In order to prepare for this new payment procedure, we require you to kindly complete the E-dividend form below.

PLEASE NOTE THAT THE SECTION FOR YOUR BANK ACCOUNT DETAILS HAS TO BE COMPLETED BY YOUR BANK.

Kindly return the duly completed form to the registrar, United Securities Limited at the address stated below.

DATE DD/MM/YYYY

SURNAME/NAME OF COMPANY

PHONE NUMBER

OTHER NAMES (FOR INDIVIDUAL SHAREHOLDER)

POSTAL ADDRESS

CITY

STATE

EMAIL ADDRESS 1

EMAIL ADDRESS 2

THIS SECTION TO BE COMPLETED BY YOUR BANK

BANK NAME

BRANCH ADDRESS

BANK ACCOUNT NUMBER

BANK SORT CODE

BRANCH CODE

I / We hereby request that from now, all dividend warrant(s) due to me / us from my / our holdings in all the companies indicated above be mandated to my / our Bank named above.

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

AUTHORISED SIGNATURE & BANKERS STAMP

INCORPORATION NUMBER WITH COMPANY SEAL

The completed form should be returned by post, or hand delivered to the office of the registrar, United Securities Limited, 14, Idowu Taylor Street, Victoria Island, PMB 12753, Lagos. T: 01-730 0898, 01- 2714566 – 7 F: 01-2714568 E: info@unitedsecuritieslimited.com or to the nearest Access Bank Plc branch closest to the shareholder, c/o Investor Relations Unit. E:investorrelations@accessbankplc.com. Scanned copies of the form are not acceptable as only originals will be processed.

Shareholder Information Update Form

I/We wish to request that my/our details as (a) shareholder(s) of
Access Bank Plc be amendedd to reflect the following information

DATE DD/MM/YYYY

SURNAME/NAME OF COMPANY

PHONE NUMBER

OTHER NAMES (FOR INDIVIDUAL SHAREHOLDER)

PRESENT POSTAL ADDRESS

CITY

STATE

EMAIL ADDRESS 1

EMAIL ADDRESS 2

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

SHAREHOLDER'S SIGNATURE OR THUMBPRINT

AUTHORISED SIGNATURE & BANKERS STAMP

INCORPORATION NUMBER WITH COMPANY SEAL

The completed form should be returned by post, or hand delivered to the office of the registrar, United Securities Limited, 14, Idowu Taylor Street, Victoria Island, PMB 12753, Lagos. T: 01-730 0898, 01- 2714566 – 7 F: 01-2714568 E: info@unitedsecuritieslimited.com or to the nearest Access Bank Plc branch closest to the shareholder, c/o Investor Relations Unit. E:investorrelations@accessbankplc.com. Scanned copies of the form are not acceptable as only originals will be processed.

Proxy Form

access

22nd Annual General Meeting to be held at Lagoon Restaurant, Ozumba Mbadiwe Avenue, Victoria Island, Lagos on 28th day of April 2011 at 12:00 noon

I/We

(Name of Shareholder in block letters)

Being a member/(s) of the above named Company hereby appoint Mr Gbenga Oyebode or failing him Mr. Aigboje Aig-Imoukhuede as my/our proxy to vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on 28th day of April 2011 and at any adjournment thereof.

Unless otherwise instructed, the proxy will vote or abstain from voting as he/she thinks fit.

NAME OF SHAREHOLDER

DATE DD/MM/YYYY

RESOLUTIONS	FOR	AGAINST
1 To receive and consider the report of the Directors, the Balance Sheet, together with the Profit and Loss Account and the Auditor's Report thereon, for the period ended 31 December 2010.		
2 To elect/re-elect Directors of the Company.		
3 To authorise the Directors to fix the remuneration of the Auditors.		
4 To elect/re-elect members of the Audit Committee.		
5 To declare a dividend.		
6 That the Directors' fee for the financial year ending 31 December 2011 be and is hereby fixed at N7, 900,000.00 (Seven million, nine hundred thousand Naira only).		
7 That subject to all relevant regulatory approvals being obtained, the Directors be and are hereby authorised to establish for the benefit of employees of the Company or any of its subsidiaries an Employee Performance Share Plan for the award of units of the Company's shares to the Company's employees on such terms and conditions as the Directors shall from time to time consider appropriate.		

SIGNATURE OF PERSON ATTENDING

IMPORTANT:

1. Before posting the above proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the Bank should produce this card to secure admission to the meeting.
2. A member of the Bank is entitled to attend and vote at the Annual General Meeting of the Bank. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
3. In line with best practice, the name of two Directors of the Bank have been entered on the proxy form to ensure that someone will be at the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form(marked*) the name of any person, whether a member of the Bank or not will attend and vote on your behalf instead of one of the Directors named.
4. This proxy, when completed must be deposited at the office of United Securities Limited, 14 Idowu Taylor Street, Victoria Island, Lagos, not less than 48 hours before the time fixed for the meeting.
5. It is a requirement of the law under the Stamp Duties Act, Cap 58, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty.
6. If proxy form is executed by a company, it should be sealed under its common seal or the hand and seal of its attorney.

BEFORE POSTING THE ABOVE FORM PLEASE TEAR OFF THIS PART AND RETAIN IT FOR ADMISSION TO THE MEETING

Access Bank Plc RC 125384

22nd ANNUAL GENERAL MEETING TO BE HELD AT LAGOON RESTAURANT, OZUMBA MBADIWE AVENUE, VICTORIA ISLAND, LAGOS ON 28th DAY OF APRIL 2011 AT 12:00 noon

Name and Address of Shareholder ....

Number Of Shares Held ....

Corporate Information
Corporate Directory

HEAD OFFICE ADDRESS

Plot 1665 Oyin Jolayemi
Victoria Island
Lagos
Nigeria
+234-01-2805289-9
+234-01-4619264-9

CORRESPONDENT BANKS

ANZ Bank Ltd
40 Bank Street, Canary Wharf
London E14 5EJ, UK

The Access Bank UK Limited
1 Cornhill
London EC3V 3ND, UK

BNP PARIBAS Paris
37 Place du Marche Saint-Honore-75031
Paris Cedex 01, France

CitiBank London
Citigroup Center Canada Square
Canary Wharf
London E14 5LB, UK

CitiBank New York
111 Wall Street
19th Floor/Zone 1
New York NY 10043 USA

CommerzBank AG
Corporate Banking Structured Export and Trade
Finance Kaiserplatz 60311 Frankfurt am Main
Germany

Standard Chartered Bank, London
22, Billiter Street
London EC3M 2RY, UK

Union Bank UK
14-18, Copthall Avenue
London EC2R 7DJ, UK

United Bank for Africa
40 East 52nd Street
New York 10022-5911, USA

Deutsche Bank
6 Bishopsgate
London EC2N 4A, UK

FBN UK
28 Finsbury Circus
London EC2M 7DT, UK

HSBC Bank
Johannesburg Branch
2 Exchange Square, 85 Mauder Street
Sandound, Sandton, 2196, SA

ING
24 Avenue Marmix, B – 1000
Brussels, Belgium

Standard Bank of South Africa
25, Saver Street
Johannesburg 2001, SA

UBS
P.O. Box CH – 8098
Zurich

Byblos Bank, London
Suite 5 Berkeley Square House
Berkeley Square
London W1J 6BS, UK

Bank of Beirut
Nig. Rep Office 5
Alfred Rewane Street
Ikoyi, Lagos

IFC
2121 Pennsylvania Av. NW
Washington DC 20433, USA

J.P. Morgan
Trinity Tower, 9 Thomas More Street
London E1W 1YT, UK

ICICI Bank India
ICICI Bank Towers, Bandra-Kurla Complex
Bandra (E), Mumbai 400051

Sumitomo Mitsui Banking Corporation
Europe Limited
99 Queen Victoria Street
London EC4V 4EH, UK

Danske Bank
2-12 Holmens Kanal
DK-1092 Copenhagen K Denmark

Zenith Bank (UK) Limited
39, Cornhill
London, EC3V 3ND, UK

Handelssbanken Int. (Svenska)
SE-106 70 Stockholm
Sweden

Mashreq Bank
Post Box 1250
Dubai, UAE

KBC Bank Belgium
KBC Bank NV,
Havenlan 12
1080 Brussel Belgium

Mizuho
Bracken House, One Friday Street
London, EC4M 9JA, UK

Credit Suisse AG
Giesshübelstrasse 30
P.O. Box 100
CH-8070 Zurich

BRANCH NETWORK

Abia State
Abia Branch
4, Eziukwu Road
Aba
082-557217

Umuahia Branch
6, Library Avenue
Umuahia
088 660017

Abuja
Ademola Adetokunbo Branch
54, Ademola Adetokunbo Cresent
Wuse II
Abuja
08089046004

Aminu Kano Branch
Plot 1195, Aminu Kano Crescent
Wuse II
Abuja
08120620632; 07028072816

Asokoro Branch
Plot 87, Yakubu Gowon Crescent
Asokoro
Abuja
07084563620; 09-8746733; 09-8734432; 09- 8734496

Garki Branch
Plot 1231 Ahmadu Bello Way
Garki II
Abuja
08121384293; 07040214337

Herbert Macaulay Branch
Plot 247, Herbert Macaulay Way
Total House Building
Opposite NNPC Tower
Central Business District
Abuja
09-7803374; 09-7817696; 09-6717937; 08120797446

Kubwa Branch
59, Gado NASCO Road
Phase IV, Kubwa
Abuja
08121393678; 09–8734810

National Assembly Branch
White House Basement
National Assembly Complex
Abuja
07042112723, 08029894126

Wuse Market Branch
Erisco BONPET Plaza
36 Duola Crescent
Wuse Zone 5, Abuja
08120797214

Adamawa State
Yola Branch
13/15 Atiku Abubakar Way Jimeta, Yola
08021490008; 08021489827

Akwa Ibom State
Uyo Branch
21/23 Gibbs Street
Uyo
085-820699

Anambra State
Awka Branch
1, Ajekwe Close
Off Enugu-Onitsha Express Way
Awka
046-500832

Nnewi Branch
Zone 1 Block 15
Edo Ezemewi Road
Nnewi
046871525, 046871877

Onitsha Branch
6, New Market Road,
Onitsha
046-871548, 046-820237

Bauchi State
Bauchi Branch
24, Murtala Mohammed Way
Bauchi
08028099713

Bayelsa State
Yenagoa Branch
Plot 3, Onopa Commercial Layout
Alamieyesigha Way
Yenagoa
08023253197

Benue State
Makurdi Branch
5, Ogiri Okoh Road, Old GRA
Makurdi
08120329050, 08020560555, 08086686334

Borno State
Maiduguri Branch
Sir Kashim Ibrahim Way
Maiduguri
076-975896

Cross River State
Calabar Branch
45 Murtala Mohammed Highway
082899294

Delta State
Asaba Branch
237, Nnebisi Road, Asaba
Delta State
056870660

Warri Branch
57, Effurun Sapele Road
Warri
07026060327

Ebonyi State
Abakaliki
44, Ogoja Road, Abakaliki
07023199626

Edo State
Akpakpava Branch
45, Akpakpava Road, Benin City
052-892949

Sapele Road Branch
145 Benin-Sapele Road
Opp NPDC
Benin City
054-811843

Uniben Branch
Alumni Building, University of Benin
Ugbowo Campus
052-880996

Uselu Branch
170, Uselu-Lagos Road
Near Uselu Market
Uselu
Benin City
052-880544

Ekiti State
Ado Ekiti Branch
Plot 5, New Secretariat Road
Ado Ekiti
07061208338

Enugu State
UNEC Branch
University of Nigeria Enugu Campus (UNEC)
048-488885

Ogui Road Branch
67, Ogui Road
By Nnamdi Azikwe Stadium
07023652 071

Gombe State
Gombe Branch
8, New Market Road
08023904011

Ashaka Branch
Ashaka Cement Plc Works
Ashaka
08084360691

Imo State
Owerri Branch
18, Wetheral Road Owerri
083-430545

Jigawa State
Dutse Branch
10/11 Sani Abacha Way
Dutse
08034592974

Kaduna State
Kaduna Branch
16/20 Bida Road
off Yakubu Gowon Way
Kaduna
062-884161

Kano State
Kano Branch
12B, Post Office Road
Kano
064-967358

Wambai Cash Centre
22, Ibrahim Babaginda Way
Wambai
Kano
064-967358

Katsina State
Katsina Branch
106, IBB Way
Katsina State
065-434687; 065-433738; 070-98200996

Kebbi State
Birnin Kebbi Branch
1, Jos Road
Birnin Kebbi
08121373449; 08121373448

Kogi State
Obajana Branch
Opposite Obajana Cement Plc
KM 22 Along Lokoja Kabba Expressway
Obajana
Kogi
07087452469

Lokoja Branch
Kogi
Plot 82, Lokoja – Kabba Road
07084276771

Kwara State
Ilorin Branch
Stadium Shopping Complex
Taiwo Road
Ilorin
Kwara State
031-742588

Lagos State
Adeniyi Jones Branch
53 Adeniyi Jones Avenue
Ikeja
01-2805952; 01-2805953

Adeola Odeku Branch
9, Adeola Odeku Street
Victoria island
01-2714563; 01-2714562

Adeyemo Alakija Branch
1, Idowu Taylor Street
Commerce House
Victoria Island Lagos
01-7358681

Adetokunbo Ademola Branch
36, Adetokunbo Ademola Street
Victoria Island
01- 2172105; 01-2712104

Aguda Branch
1-3 Enitan Street
Aguda Surulere
01-8963554

Alaba Branch
Shop A65 Alaba International Market
Lagos
234 (01) 8177558

Allen Avenue Branch
92, Allen Avenue
Ikeja
01-4482066, 01-2798116

Akoka Branch
100, St Finbarrs College Road,
Akoka
Lagos
01-7360693

Apongbon Branch
16, Apongbon Street
Lagos Island
01-8509258

Aspamda Branch
Zone B, R4, Mercy Café
Aspamda Plaza
Trade Fair Complex
018187970

Awolowo Road Branch
58, Awolowo Road
Ikoyi
01-9501739

Broad Street Branch
115/117 Broad Street
01-7610151

Burma Road Branch
4, Burma Road Apapa
Lagos
017644580

Commercial Road Branch
8/10 Commercial Road
Opposite Eleganza Plaza
Apapa
01-2704226-9

Creek Road Branch
24A Creek Road Apapa
01-8979683, 01-7739167

Festac Branch
Plot 650A
32 Road
3rd Avenue Festac
01-7408289; 01-7408297

Ibafon
3, Apapa Oshodi-Expressway
Warehouse B/Stop
Olodi-Apapa
01-8945638

Idejo Branch
1617A Idejo/Danmole
Victoria Island
Lagos
01-7301475

Idi-Araba Branch
College of Medicine,
University of Lagos
Ishaga Road
Idi-Araba Bus Stop
Mushin
01-7410650

Idumota Branch
122, Nnamdi Azikiwe Street
Idumota
01 8159556

Ilupeju Branch
25A, Ilupeju By-pass
Ilupeju
01-7301008; 01-7301009

Ikorodu Branch
7, Ayangburen Road,Ikorodu
01-8503270; 01-8508446

Ikota Branch
Block H41 – 43 & H76 – 78
Ikota Shopping Complex
08126529480; 08080366572

Ipaja Branch
157, Abeokuta Express Way
Iyana-Ipaja
01-7300860

Lekki Chevron Branch
Beside Chevron Roundabout
Along Lekki-Epe Expressway
01-8293782; 01-8293781

Ligali Branch
15, Ligali Ayorinde Street
Victoria Island
01-2712130

Marina BOI Branch
23B, Broad Street
Marina
01-2701437; 01 -2701438

Maryland Branch
6, Mobolaji Bank Anthony Way
Maryland
01-2798293; 01-2798291Ashaka

Murtala Mohammed Airport 2 Branch
Arrival, Murtala Mohammed Airport 2
Local Terminal
Ikeja
01-2798985

Ogba Branch
40A/B Ogba Ijaiye Road
Ogba Lagos
01-7301000; 01-7301001

Ogunlana Branch
150, Ogunlana Drive
Surulere
01-2713197; 01-7410904

Old Ojo Branch
153, Old Ojo Road
Kuje Amuwo
01-7374962

Onikan Branch
30, King George V Road
Onikan
Lagos Island
O7098013634

Osolo Way Branch
18 Osolo Way, off Intl Airport Road
Ajao Estate
01-7361168; 01-7361169

Palm Avenue Branch
56, Palm Avenue, Mushin
018793975

Point Road Branch
1B, Point Road, Apapa
01-7408815

Simbiat Abiola Branch
20 Simbia Abiola Way
Ikeja
01-8771499

Tincan Branch
1, Kirikiri Lighter Terminal
Phase 11
Apapa
01-8909506

Trade Fair Branch
Lagos
Conia Plaza Opposite Kano Plaza
Trade Fair Complex
Badagry Expressway
01-8737327

Victoria Island Branch (Head Office)
Plot 1665, Oyin Jolayemi Street
Victoria Island
Lagos
01-2805624

Nasarawa State
Lafia Branch
Nasarawa
32, Jos Road
Lafia
08083102390

Niger State
Minna Branch
Niger
1, David Mark Road
Off Paiko Road
Minna
08080366620

Suleja Branch
Niger
NNPC/PPMC Depot
Suleja
07038403954

Ogun State
Abeokuta Branch
No 14, Lalubu Street
Oke-Ilewo
07040566047

Agbara Branch
Plot C 2A/4 Ilaro Road
Agbara Industrial Estate
01-7358390; 7358391

Ondo State
Akure Branch
17, Oyemekun Road
Akure
07043031035

Osun State
Oshogbo Branch
Plot 2, Aiyedun Layout
(Near Old Governor's Office)
Gbogan Road
Osogbo
035-207525

Oyo State
Bodija Branch
Plot 32, Bodija/University of Ibadan Road
Ibadan
07098700621

Dugbe Branch
Plot 1, Old Dugbe Market Scheme
Dugbe
Ibadan
02-2007163, 02-7516561, 02-8721513, 02-8721512

Iwo Road
37, Iwo Road
Ibadan
02-8739055

Plateau State
Jos Branch
28A, Rwang Pam Street
Jos
07087862982; 07080979478

Rivers State
Agip Branch
1, Agip Road Mile 4
Rumueme
Port Harcourt
084-896334

Azikwe Road Branch
12 Azikwe Road
Port Harcourt
084-779467; 084-898302

Bank Road Branch
10A Bank Road
Opposite R/S Judiciary
Port Harcourt
084-886717, 084-802537

Bonny Island Branch
64, Hospital Road,
Bonny Island
234-8131208265

Olu Obasanjo Branch
Plot 329, Olu Obasanjo Road
Port Harcourt
084-785617, 084798554

Rumuokoro Branch
679, Ikwerre Road
Rumuokoro – Port Harcourt
07029076283; 07028523858

Trans Amadi Branch
Plot 466/467
Trans Amadi Industrial Layout
Port Harcourt
084-8955551

Sokoto State
Sokoto Branch
27, Kano Road, Sokoto
08085045290

Taraba State
Jalingo Branch
57B, Hammanruwa Way
Jalingo
07088274989

Zamfara State
Gusau Branch
Plot 21, Yakubu Gowon Way
Canteen area,
Gusau
08120797078

ATM LOCATIONS

Access Bank, Aba Branch
Access Bank, Abakaliki Branch
Access Bank, Abeokuta Branch
Access Bank, Ade Odeku Branch
Access Bank, Ademola Adetokunbo, Abuja Branch
Access Bank, Adeniyi Jones Branch
Access Bank, Adetokunbo Ademola, V/I, Lagos Branch
Access Bank, Adeyemo Alakija Branch
Access Bank, Ado Ekiti Branch
Access Bank, Agbara Branch
Access Bank, Agip Road, Ph Branch
Access Bank, Aguda Branch
Access Bank, Akure Branch
Access Bank, Allen Avenue Branch
Access Bank, Aminu Kano Branch
Access Bank, Apapa Burma Branch
Access Bank, Apapa Pont Road Branch
Access Bank, Apapa Tincan Branch
Access Bank, Apongbon Branch
Access Bank, Asaba Branch
Access Bank, Ashaka Branch
Access Bank, Asokoro Branch
Access Bank, Aspamda Branch
Access Bank, Awka Branch
Access Bank, Awolowo Road Branch
Access Bank, Azikiwe Branch
Access Bank, Bank Road, Ph Branch
Access Bank, Bauchi Branch
Access Bank, Benin Branch
Access Bank, Bodija Branch
Access Bank, Boi Builiding, Marina Branch
Access Bank, Bonny Island, Ph Branch
Access Bank, Broadsreet Branch
Access Bank, Calabar Branch
Access Bank, Chevron Branch
Access Bank, Commercial Road, Apapa Branch
Access Bank, Creek Road, Apapa Branch
Access Bank, Dugbe Branch
Access Bank, Dutse Branch
Access Bank, Festac Branch
Access Bank, Garki Branch
Access Bank, Gombe Branch
Access Bank, Gusau Branch
Access Bank, Ibafon Branch
Access Bank, Idejo Branch
Access Bank, Idi Araba Branch
Access Bank, Idumota Branch
Access Bank, Ikorodu Branch
Access Bank, Ikota Branch
Access Bank, Ilorin Branch
Access Bank, Ilupeju Branch
Access Bank, Iwo Road Branch
Access Bank, Iyana Ipaja Branch
Access Bank, Jalingo Branch
Access Bank, Jos Branch
Access Bank, Kaduna Branch
Access Bank, Kano Branch
Access Bank, Katsina Branch
Access Bank, Kebbi Branch
Access Bank, Kubwa Branch
Access Bank, Lafia Branch
Access Bank, Ligali Ayorinde Branch
Access Bank, Lokoja Branch
Access Bank, Maiduguri Branch
Access Bank, Makurdi Branch
Access Bank, Maryland Branch
Access Bank, Minna Branch
Access Bank, Nass Complex, Abuja Branch
Access Bank, Nnewi Branch
Access Bank, Obajana Branch
Access Bank, Ogba Branch
Access Bank, Ogui Road, Enugu Branch
Access Bank, Ogunlana Branch
Access Bank, Old Ojo Road, Lagos Branch
Access Bank, Olu Obasanjo Road, Ph Branch
Access Bank, Onikan Branch
Access Bank, Onitsha Branch
Access Bank, Oshogbo Branch
Access Bank, Osolo Way, Isolo Branch
Access Bank, Owerri Branch
Access Bank, Oyin Jolayemi, V/I Branch
Access Bank, Palm Avenue Branch
Access Bank, Pppra Building, Abuja Branch
Access Bank, Rumuokoro, Ph Branch
Access Bank, Sapele Road, Benin Branch
Access Bank, Simbiat Abiola Way, Ikeja Branch
Access Bank, Sokoto Branch
Access Bank, Suleja Branch
Access Bank, Trade Fair Complex, Lagos Branch
Access Bank, Trans Amadi, Ph Branch
Access Bank, Umuahia Branch
Access Bank, Unec, Enugu Branch
Access Bank, Uniben, Benin Branch
Access Bank, Uselu Branch
Access Bank, Uyo Branch
Access Bank, Warri Branch
Access Bank, Wuse Market, Abuja Branch
Access Bank, Yenagoa Branch
Access Bank, Yola Branch
Access Bank, Ligali Annex (Teller Implant)
Access Bank, Olashore Office (Teller Implant)
Access Bank, Unicem Plant, Calabar (Teller Implant)
Access Bank, Wambai, Kano (Teller Implant)
Access Homes Savings and Loans (Teller Implant)
Bagco Supersacks, Surulere (Teller Implant)
Dangote Adstar, Ikeja (Teller Implant)
Dangote Agrosack, Ikeja (Teller Implant)
Newco Factory, Ikeja (Teller Implant)
Unico Office, Ikeja (Teller Implant)
United Securities, Idowu Taylor (Teller Implant)
Wempco Office, Ibafo (Teller Implant)

SUBSIDIARIES ADDRESSES

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Immeuble Woodin Center
Avenue Nogues
Abidjan Plateau, 01 BP 6928 Abidjan 01
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F: (+225) 20-22-56-41
E: info.cotedivoire@accessbankplc.com
W: www.accessbankplc.com/ci

Branches

Nour Al Hayat Branch (Plateau)
Galerie Nour Al Hayat
T: (+225) 20 30 52 45/47
F: (+225) 20-22-56-41

Prima Branch (Marcory Zone 3)
Galerie Prima Center
T: (+225) 21 21 03 30/33
F: (+225) 20-22-56-41

Les Rosiers Branch (Riviera Palmeraie)
Riviera Palmeraie Les Rosiers 3
T: (+225) 22 49 01 49 /47
F: (+225) 20-22-56-41

Adzopé Branch
T: (+225) 23 54 19 02
F: (+225) 20-22-56-41

Access Bank (R.D. Congo) SARL
158, Avenue de la Démocratie (ex-Huileries)
Kinshasa – Gombe
T: (+243) 81 22 22 111 – 14
F: (+243) 81 22 22 116
E: info.rdcongo@accessbankplc.com
W: www.accessbankplc.com/cd

Branch

Goma branch
N°36 Blvd Kanyamuhanga
Goma / Nord Kivu
T: (+243) 81 22 22 104

Access Bank (Gambia) Limited
Head Office,
47 Kairaba Avenue
Fajara, K.S.M.D.
The Gambia
T: (+220) 4396679, 4399022
F: (+220) 4396640
E: info.gambia@accessbankplc.com
W: www.accessbankplc.com/gm

Branches

Brusubi Branch
AU Highway
Brusubi Turntable
Western Division
The Gambia
T: +220 4410450
F: +220 4410452

Barra Branch
North Bank Division
Barra
The Gambia
T: (+220) 8805074, 5710437, 6611625

Banjul Branch
ECOWAS Avenue
Banjul
The Gambia
T: (+220) 6611616, 6611647
F: (+220) 4396640

Serrekunda Branch
Sayerr Jobe Avenue
Serrekunda
Kanifing Municipal Council
The Gambia
T: (+220) 6611617

Access Latrikunda
Kaw Junction
Brikama Highway
Latrikunda Sabiji
Kanifing Municipal Council
The Gambia
T: (+220) 6611704, 6611705

Access Bank (Ghana) Limited
9, La Tebu Crescent, Off Giffard Road
East Cantonments, Accra
T: +233 (302) 781 761/ 784 143/
(0)28 953 0150
F: +233 (302) 783 082
E: info.ghana@accessbankplc.com
W: www.accessbankplc.com/gh

Branch

Osu Branch
41 Cantonments road
Next to Osu Food Court
Oxford Street
Osu – Accra
T: +233 (302) 774 290

Tema Branch
Ground Floor
Meridian Plaza
Community 1
Tema
T: +233 (302) 200 868

Access Bank (Rwanda) S.A
3rd Floor UTC Building
Avenue de la Paix
P.O. Box: 2059
Kigali Rwanda
T: (+250) 252500089/90-94
F: (+250) 252575761/252572501
E: info.rwanda@accessbankplc.com
W: www.accessbankplc.com/rw

Branches

Nyabugogo
Boulevard de la Nyabugogo
P.O. Box 2059
Kigali Rwanda
T: (+250) 252504467
F: (+250) 252504467

Mattheus Branch
Avenue du Lac Ihema
P.O. Box 2059
Kigali Rwanda
T: (250) 252 570266
F: (250) 252 570266

Musanze Branch
Centre Ville Musanze
PO Box 2059
Northern Province- Rwanda
T: (+250) 252 546316
F:(+250) 252 546317

Rubavu – Branch
Avenue de l'Indépendance
PO Box 2059
Western Province
T: (+250) 252 540120
F: (+250) 252 540121

Rusizi – Branch
PO Box 2059
Western Province
T: (+250) 252 537298
F: (+250) 252 537294

Remera- Branch
Gasabo District
PO Box 2059
T: (+250) 255110287
F: (+250) 255110287

Access Bank (Sierra Leone) Limited
Head Office
30, Siaka Stevens Street
Freetown
Sierra Leone.
T: (+232) 22 229772
F: (+232) 22 220119
E: info.sierraleone@accessbankplc.com
W: www.accessbankplc.com/sl

Branches

Congo Cross Branch
Access Bank (SL) Limited
1, Murray Town Road
Congo Cross
Freetown
Sierra Leone
T: +232 33 195274

Cline Town Branch
Access Bank (SL) Limited
1, Ross Road
Cline Town
Freetown
Sierra Leone
Phone +232 33 950647

Makeni Branch
Access Bank (SL) Limited
1, Magburaka Road
Makeni
Sierra Leone
T: +232 33 136184

Access Bank (Zambia) Limited
Plot 682 Cairo Road
PO Box 35273
Northend – Lusaka
Zambia.
T: (+260) 211 227941
F: (+260) 211 229967
E: info.zambia@accessbankplc.com
W: www.accessbankplc.com/zm

Branches

Longacres Branch
Plot No. 2166, Haile- Salassie Avenue
PO Box 36368
Lusaka
T: (+260) 211 252217/252248/252250
F: (+260) 211 252207

Kitwe Branch
Plot 493/494, Union House
Zambia Way
PO Box 20033
Kitwe
T: (+260) 212 228673-228674
F: (+260) 212 228675

Ndola Branch
Stand No. 9, 10 & 11
Plot 3055 Mpelembe House
PO Box 70786
Ndola
T: (+260) 620886/620887
F: (+260) 620888

Acacia Branch
Stand No.227868
Corner Great East Rd/Thabo Mbeki Rd
PO Box 37273
Lusaka
T: (+260) 255965/66

The Access Bank UK Limited
Head Office
1, Cornhill
EC3V 3ND
London
United Kingdom
E: info@theaccessbankukltd.co.uk
W:www.theaccessbankukltd.co.uk

Mailing Address
The Access Bank UK Limited
4 Royal Court
Gadbrook Park
Northwich
Cheshire
CW9 7UT

Branch

Access Bank (UK) Limited.
53, Davies Street,
W1K 5JH
London,
United Kingdom.
Tel: +44845 2935535

FinBank Burundi
Boulevard de l'Indépendance
BP 2998 Bujumbura
Burundi
T: (+257) 22243206, 22246580
F: (+257) 22243207, 22246579
E: finbank@usan-bu.net

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Access Bank Plc
Plot 1665, Oyin Jolayemi
Victoria Island, Lagos State,
Nigeria

T: (+234) 1 461 9264-9
F: (+234) 1 461 8811

www.accessbankplc.com