Access Bank Plc

Consolidated and separate financial statements for the year ended 31 December 2014

ACCESS BANK PLC
Index to the consolidated financial statements
For the year ended 31 December 2014

Directors, officers and professional advisors

These are the list of Directors who served in the entity during the period and up to the date of this report

Directors

Gbenga Oyebode, MFR	Chairman/Non-Executive Director
Herbert Onyewumbu Wigwe	GMD/Executive Director
Obinna David Nwosu	DMD/Executive Director
Mosunmola Belo-Olusoga	Non-Executive Director
Ernest Chukwuka Ndukwe	Independent Non-Executive Director
Oritsedere Samuel Otubu	Non-Executive Director
Anthonia Olufeyikemi Ogunmefun	Non-Executive Director
Paul Usoro, SAN	Non-Executive Director
Emmanuel Chiejina	Non-Executive Director
Mahmoud Isa-Dutse	Non-Executive Director
Ajoritsedere Josephine Awosika	Independent Non-Executive Director
Victor Okenyenbunor Etuokwu	Executive Director
Roosevelt Michael Ogbonna	Executive Director
Ojinika Nkechinyelu Olaghere	Executive Director
Elias Igbinakenzua	Executive Director
Titi Osuntoki	Executive Director

Company Secretary
Mr Sunday Ekwochi

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Access Bank Plc
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Company Registration Number: RC125 384
FRC Number: FRC/2012/0000000000271

Independent Auditors
PricewaterhouseCoopers
252E Muri Okunola Street
Victoria Island, Lagos
Telephone: (01) 271 1700
Website: www.ng.pwc.com

Registrars
United Securities Limited
10 Amodu Ojikutu Street
Victoria Island, Lagos
Telephone: +234 01 730898
+234 01 730891

Directors' Report
For the year ended 31 December, 2014

The Directors have pleasure in presenting their report on the affairs of Access Bank Plc (the "Bank") together with its subsidiaries (the "Group"), the Group and the Bank audited financial statements with Auditor's Report for the year ended 31 December 2014.

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 license by the Central Bank of Nigeria on 5 February 2001.

The Bank's principal activities incude the provision of money market product and services, retail banking, granting of loans and advances, equipment leasing, corporate finance and foreign exchange operations.
The Bank has the following international banking subsidiaries: 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, Access Bank (D.R. Congo). The Bank also has Access Finance BV, an offshore Special Purpose Vehicle for the issuance of the U.S.$350,000,000 7.25 Per Cent Guaranteed Notes Dues 2017 guaranteed by the Bank.
Following shareholders and regulatory approval, the Bank successfully raised the sum of USD400 million at 9.25 per cent via the issue of Resettable Subordinated Notes due 2021 under the

In furtherance of the objective of bringing the Bank's activities in compliance with the provisions of the Central Bank of Nigeria's Regulation on Scope of Banking Activities and Other Ancilliary Matters, on the permitted activities for Commercial Banks with International Authorisation, the Bank during the First Half of the Year 2014 concluded its divestment from Finbank Burundi while the winding up of Access Homes and Mortgages Limited was completed . The winding-up modalities of Intercontinental Bureau d' Change Limited and Flexmore Technologies Limited are currently at completion stage.

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

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

In thousands of Naira	**Group Dec-14**	**Group Dec-13**	**Bank Dec-14**	**Bank Dec-13**
Gross earnings	**245,217,569**	**206,891,219**	**221,610,769**	**180,230,976**
Profit before income tax	52,022,290	43,530,591	46,142,422	31,365,396
Income tax expense	(8,958,811)	(7,498,759)	(6,201,296)	(5,153,552)
Profit from continuing operations	43,063,479	36,031,832	39,941,126	26,211,844
Loss from discontinued operations (net of tax)	(87,267)	265,760	-	-
Profit for the period	42,976,212	36,297,592	39,941,126	26,211,844
Other comprehensive (loss)/gain	4,141,040	(1,655,989)	2,579,803	4,834,223
Total comprehensive income for the year	47,117,252	34,641,602	42,520,929	31,046,067
Non-controlling interest	964,821	195,762	-	-
Profit attributable to equity holders of the Bank	46,152,431	34,445,840	42,520,929	31,046,067

In thousands of Naira	**Group Dec-14**	**Group Dec-13**	**Bank Dec-14**	**Bank Dec-13**
Earnings per share - Basic (k)	189	159	174	114
Dividend (paid):				
Final for 2013 paid in 2014 and final for 2012 paid in 2013 respectively	14,240,900	13,729,751	13,729,778	13,729,751
Proposed dividend	**8,009,022**	**8,009,022**	**8,009,022**	**8,009,022**
Total equity	277,410,728	244,482,048	274,155,786	245,181,998
Total impaired loans and advances	25,262,415	22,589,092	19,966,521	17,924,178
Total impaired loans and advances to gross risk assets (%)	2.21%	2.74%	1.83%	2.35%

Interim dividend
The Board of Directors proposed and paid an Interim Dividend of 25 kobo (HY 2013: 25 kobo) each on the issued share capital of 22,882,918,908 ordinary shares of 50k each as at 30 June 2014. Withholding tax was deducted at the time of payment.

Proposed Dividend
The Board of Directors has recommended a final dividend of 35 kobo (2013:35 kobo) for the year ended 31 December 2014. 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 is noted below:

	Number of Ordinary Shares of 50k each held as at			
	31-Dec-14		31-Dec-13	
	Direct	Indirect	Direct	Indirect
G. Oyebode - Chairman	78,652,858	76,752,411	78,652,858	76,752,411
H. O. Wigwe - GMD/CEO	119,231,713	1,259,864,911	119,231,713	629,932,455
O. D Nwosu - GDMD	-	-	-	-
O. S. Otubu	18,979,886	16,840,286	18,979,886	16,840,286
M. Isa-Dutse	3,155,814	-	3,136,220	-
E. Chiejina	7,080,754	-	7,080,754	-
M. Belo-Olusoga	1,953,629	-	1,953,629	-
K. Ogunmefun	-	580,000	-	352,456
V.O. Etuokwu	7,728,932	-	7,782,788	-
R. C. Ogbonna - ED	9,025,558	-	9,195,874	-
O.N. Olaghere - ED	5,451,332	-	5,451,332	-
E. Igbinakenzua - ED	-	-	-	-
T. Osuntoki	262,854	-	-	-
P. Usoro	1,209,634	-	-	-
A. Awosika	-	-	-	-
E. Ndukwe	395,377	-	-	-

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 a 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 to the Bank
Mr. Gbenga Oyebode	Chaiman	Aluko & Oyebode	Legal services
Mr. Gbenga Oyebode	Director/ Shareholder	MTN Nigeria Limited	Mobile telephone services
Mr. Oritsedere Otubu	Director	Staco Insurance Plc	Underwriting services
Mr. Oritsedere Otubu	Director	Senforce Insurance Brokers Ltd	Insurance brokerage services
Mr. Oritsedere Otubu	Director	Eko Electricity Distribution Coy. Ltd.	Electricity Services
Mr. Paul Usoro	Director	Marina Securities Ltd	Financial Services
Mr. Paul Usoro	Director	Airtel Nigeria Ltd	Mobile telephone services
Mr. Paul Usoro	Director	CR Services (Credit Bureau)Plc	Credit registry services
Mrs. Mosun Belo- Olusoga	Director/Shareholder	The KRC Ltd.	Training services
Mr. Herbert Wigwe	Shareholder	Marina Securities Limited	Brokerage services
Mr. Herbert Wigwe	Shareholder	Wapic Insurance Plc	Insurance Services

Analysis of shareholding:

The shareholding pattern of the Bank as at 31 December 2014 was as stated below:

		31 December 2014		
Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1-1,000	415,857	50.85	65,894,427	0.29
1,001-5,000	249,775	30.54	550,503,596	2.41
5,001-10,000	64,822	7.93	440,352,141	1.92
10,001-50,000	68,277	8.35	1,367,092,397	5.97
50,001- 100,000	9,880	1.21	715,308,135	3.13
100,001-500,000	6,691	0.82	1,343,083,692	5.87
500,001-1,000,000	653	0.08	449,894,993	1.97
1,000,001-5,000,000	593	0.07	1,145,145,012	5.00
5,000,001-10,000,000	101	0.01	530,593,100	2.32
10,000,001 and above	138	0.02	14,894,700,284	65.09
	816,787	**99.88**	**21,502,567,777**	**93.97**
Foreign Shareholders				
1-1,000,000	954	0.12	33,994,057	0.15
1,000,001-5,000,000	4	-	67,533,180	0.30
5,000,001-10,000,000	2	-	193,906,086	0.85
10,000,001 and above	4	-	1,084,917,808	4.74
	964	**0.12**	**1,380,351,131**	**6.03**
Total	817,751	100.00	22,882,918,908	100.00

The shareholding pattern of the Bank as at 31 December 2013 is as stated below:

		31 December 2013		
Range	Number of Shareholders	% of Shareholders	Number of shares held	% of Shareholders
Domestic Shareholders				
1-1,000	418,338	51	66,077,606	0.29
1,001-5,000	252,564	31	557,585,577	2.44
5,001-10,000	66,149	8	449,424,043	1.96
10,001-50,000	70,692	9	1,418,827,283	6.20
50,001- 100,000	10,428	1	755,713,426	3.30
100,001-500,000	7,225	1	1,448,182,975	6.33
500,001-1,000,000	709	-	495,834,674	2.17
1,000,001-5,000,000	635	-	1,282,784,615	5.61
5,000,001-10,000,000	111	-	787,720,839	3.44
10,000,001 and above	149	-	13,620,821,201	59.52
	827,000	**99.89**	**20,882,972,239**	**91.26**
Foreign Shareholders				
500,001-1,000,000	890	0.11	18,925,956	0.08
1,000,001-5,000,000	2	-	3,948,930	0.02
5,000,001-10,000,000	-	-	-	-
10,000,001 and above	9	-	1,977,071,783	8.64
	901	**0.11**	**1,999,946,669**	**8.74**
Total	**827,901**	**100.00**	**22,882,918,908**	**100.00**

Substantial interest in shares

According to the register of members at 31 December 2014, the following shareholders held more than 5% of the issued share capital of the Bank as follows:

	31 December 2014		31 December 2013	
	Number of shares held	% of shareholding	Number of shares held	% of shareholding
Stanbic Nominees Nigeria Limited*	7,341,395,803	32.09%	6,701,433,113	29.26%
Blakeney GP	981,279,528	4.29%	1,386,901,385	6.06%

*Stanbic Nominees held the shares as custodian for various investors. Stanbic Nominees does not exercise any right over the underlying shares. All the rights resides with the various investors on behalf of whom Stanbic Nominees carries out the custodian services.

Beneficiary	Purpose	Amount
- Banker's Committee	Contribution to the victims of terror fund	250,000,000
- O.B. Lulu-Briggs Foundtion	Contribution to O.B. Lulu-Briggs Foundtion	20,000,000
- Nigeria Immigration Service	Renovation of Nigeria Immigration Service office at Ikoyi	16,533,955
- Global Business Coalition On Health	Contribution to health structural adjustment fund	16,260,000
- Murtala Mohammed Foundation	Purchase of computer for schools	15,000,000
- Center For Infrastructure Policy Regulation & Advancement	Contribution to center for infrastructure policy regulation & advancement	10,000,000
- Fairstrokes And Caritas PR Limited	2014 junior golf challenge	5,000,000
- International Film & Broadcast Academy	Contribution to international short film & video festival	5,000,000
- Friends Africa/National Center For Women Development	Support for national micro small & medium enterprises summit	5,000,000
- Corporate Alliance On Malaria In Africa	Membership fee fr corp alliance on malaria in Africa	4,097,500
- Women'S Empowerment Principles	Contribution to women empowerment principles programme	4,082,500
- Dreamland Foundation	Ssupport of dreamland foundation	3,500,000
- National Orthopedic Hospital	Renovation of national orthopedic hospital, Igbobi	4,570,660
- Centre For Youth Studies	Partnershp wiith centre for youth studies	3,000,000
- United Nations Global Compact	Sponsorship of anti corruptn 10th anniversary	3,000,000
- Arthur Mbanefo Digital Research Centre	Contribution to Arthur Mbanefo digital research centre	3,000,000
- Command Secondary School	Setting up of e-learning classroom	2,816,000
- Friends Africa	Support for world aids day novelty match	2,500,000
- Ministry Of Sports	Support of 7th edition of MTN street soccer championship	2,500,000
- Orphan & Vulnerable Children	Support for orphan & vulnerable children secure future programme	2,000,000
- Acts Generation	Donation for international conference on domestic violence, sexual assault & trafficking	2,000,000
- 234Give.Com Limited	Contribution to charity training for NGO	1,810,350
- University Of Ibadan	Donation to university of Ibadan	1,500,000
- United Nations	Contribution to annual united nations environment programme	1,483,292
- Nigeria Conservation Foundation	Donation to Nigeria Conservation Foundation dinner dance 2014	1,000,000
- National Drug Law Enforcement Agency	Trust fund donation/red ribbon campaign support	1,000,000
- National Centre For Women Development	Donation towomen & girls summit	1,000,000
- Centre For Youth Studies	Donation to centre for youth studies	678,000
- National Drug Law Enforcement Agency	Trust fund donation/red ribbon campaign support	500,000
		388,832,257

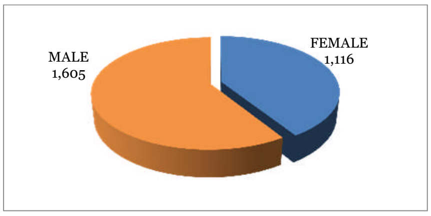
Property and equipment
Information relating to changes in property and equipment is given in Note 30 to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

Human resources

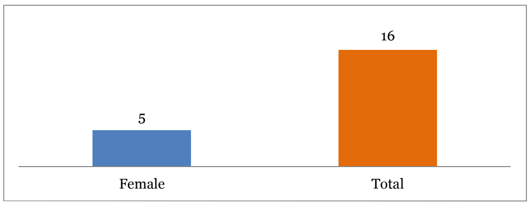
(i) Report on Diversity in employment
The Group operates a non-discriminatory policy in the consideration of applications for employment. The Bank's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in developing and understanding of our customers' needs and creatively adressing them.

(a) **Composition of employees by gender**



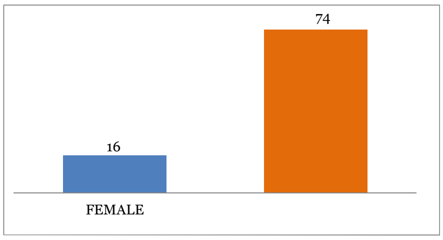
(b) **Board Composition By Gender**



(c) **Top Management (Executive Director To CEO) Compositon By Gender**

Total number of women in Executive Management position	2
Total number of persons in Executive Management position	7

(d) Top Management (AGM To GM) Compositon By Gender



(ii) Employment of disabled persons
In the event of any employee becoming disabled in the course of employment, the Group will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

(iii) 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 as Amended and other benefit schemes for its employees.

(iv) Employee involvement and training
The Bank encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. 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.

(v) Statement of commitment to maintain positive work environment
The Group shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Group's operating environment.

Credit Ratings

The revised prudential guidelines, as released by the CBN, requires that banks should have themselves credit rated by a credit rating agency on a regular basis. It is also required that the credit rating be updated on a continuous basis from year to year.

Below are the credit ratings that Access Bank has been assigned by the various credit rating agencies that have rated the Bank, in no particular order:

Long Term Local Credit Ratings

	Long Term	**Date**
Standard & Poor's	AA-	June 2014
FitchRatings	A-	July 2014
Agusto & Co	A+	May 2014
Global Credit Ratings Co. (GCR)	A+	September 2014

Long Term Counterparty Credit Ratings

	Long Term	
Standard & Poor's	B	June 2014
FitchRatings	B	July 2014

More information on the rating reports can be obtained at https://www.accessbankplc.com/credit-rating

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. Henry Omatshola Aragho	-	Shareholder	Member
3	Mr Idaere Gogo Ogan	-	Shareholder	Member
4	Mr Oritsedere Otubu	-	Director	Member
5	Dr. Ernest Ndukwe	-	Director	Member
6	Mrs. Mosun 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: PricewaterhouseCoopers were appointed as the external auditors of the Bank by the ordinary resolution of shareholders passed during the the 24th Annual General Meeting held on April 25 2013 .

BY ORDER OF THE BOARD

Plot 999c, Danmole Street,
Victoria Island, Lagos.
Lagos

Sunday Ekwochi
Company Secretary

CORPORATE GOVERNANCE REPORT

Introduction

Access Bank Plc (the Bank) and its subsidiaries the ('the Group') is committed to maintaining a high standard of corporate governance. The Bank and its subsidiaries ('the Group') are governed under a framework that enables the Board to discharge its oversight functions while providing strategic direction to the Bank in balance with its responsibility to ensure regulatory compliance. The subsidiaries comply with the statutory and regulatory requirements of their host countries and also align their governance framework to the Bank's governance framework.

This report documents the Group's corporate governance practices that were in place during the financial year ended 31 December 2014.

The Board is responsible for embedding high standards of corporate governance across the Group which is essential for the sustainability of the enterprise. Our governance framework is designed to ensure on-going compliance with applicable corporate governance codes viz: Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria ('the CBN Code'), the Securities and Exchange Commission's Code of Corporate Governance ('the SEC Code') and the Post-Listing Requirements of the Nigeria Stock Exchange. These in addition to the Board charter and the Bank's Memorandum and Articles of Association collectively provide the foundation for sound corporate governance. Our core values of excellence, innovation, leadership, passion for customers, professionalism and empowered employees continue to shape our corporate behaviour.

Performance Monitoring and Evaluation

The Board in the discharge of its oversight function continuously engages Management in the planning, definition and execution of strategy. Management's report on the execution of defined strategic objectives is a regular feature of the Board's agenda thus providing the Board the opportunity to evaluate and critique Management's execution of strategy.

The Bank's performance on Corporate Governance is continuously being monitored and reported. We carry out quarterly and annual reviews of our compliance with CBN Code and SEC Code respectively and render reports to the regulators. The Board has also established a system of independent annual evaluation of its performance, that of its committees and individual directors. The evaluation is done by an independent consultant approved by the Board. In 2014, Accenture Limited was engaged to conduct the performance evaluation. The independent consultant does not have any connection with the Group or any of its directors. The Board believes that the use of an independent consultant not only encourages directors to be more candid in their evaluation of the Board performance but also enhances the objectivity and transparency of the evaluation process.

The result of the Board performance evaluation was presented by the independent consultant during the Board Meeting held on January 29, 2015. The evaluation was a 360 degree exercise covering directors' self-assessment, peer assessment and evaluation of the Board and the Committee. The effectiveness of the independent directors vis-à-vis the CBN Guidelines on Independent Directors of Banks was also evaluated. The result confirmed that the individual directors and the Board continue to operate at a very high level of effectiveness and efficiency.

In compliance with the CBN Code, the Annual Board Performance Evaluation Report for the year 2013 was presented to shareholders at the Annual General Meeting of the Bank held on April 30, 2014.

Appointment, Retirement and Re-election of Directors

The Board has put in place a formal process for the selection of new directors to ensure the transparency of the nomination process. The process is documented in the Fit and Proper Person policy and led by the Board Governance and Nomination Committee. The Committee identifies candidates for appointment as director in consultation with the Chairman, the Group Managing Director and/or any other director, or through the use of search firms or such other methods as the Committee deems helpful to identify candidates. Once candidates have been identified, the Committee shall confirm that the candidates meet all of the minimum qualifications for director nominees set forth the policy. The Committee may gather information about the candidates through interviews, questionnaires, background checks, or any other means that the Committee deems helpful in the evaluation process. The Committee meets to discuss and evaluate the qualities and skills of each candidate, taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the Committee shall recommend candidates for the Board's selection as director designate for election to the Board.

Dr. Babatunde Folawiyo, following his completion of the maximum 12 year term as provided by the CBN Code retired from the Board on January 28, 2014. The Board had in December 2013 approved the appointment of Mr. Paul Usoro as a Non-Executive Director. The appointment was approved by the CBN in January 2014.

In accordance with the Bank's Articles of Association, one third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with directors appointed by the Board since the last Annual General Meeting. In keeping with the requirement, Messrs Emmanuel Chiejina, Oritsedere Otubu and Antonia Kemi Ogunmefun Retired at the Bank's 25th Annual General Meeting held on April 30, 2014 and being eligible were duly re-elected by shareholders. The shareholders also elected Dr. (Mrs). Ajoritsedere Awosika, Mr. Paul Usoro, Mr Obinna Nwosu, Mrs. Ojini Olaghere, Mr. Roosevelt Ogbonna, Mr. Elias Igbinakenzua, Mrs. Titi Osuntoki the following directors who were appointed by the Board since the last Annual General Meeting. The appointments had earlier been approved by the CBN. Pursuant to the one-third rotation rule, Dr. Mahmoud Isa-Dutse, Mrs Mosun Belo-Olusoga and Dr. Ernest Ndukwe will retire at this Annual General Meeting and being eligible for re-election will submit themselves for re-election.

The Board confirms that the following a formal evaluation, the three directors continue to demonstrate commitment to their role as Non-Executive Directors. Given their experience and background the Board believes that they will continue to add value to the Bank. The biographical details of directors standing for election or re-election are set out page ….. of this Annual Report. The Board recommends that these directors should be re-elected to maintain the needed balance of skill, knowledge and experience on the Board.

Shareholders Engagement

The Board recognises the importance of ensuring the flow of complete, adequate and timely information to shareholders on an on-going basis to enable them make informed decision. The Group is committed to maintaining high standards of corporate disclosure .Shareholders meetings are convened and held in an open manner in line with the Bank's Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Bank's strategic direction. The Annual General Meeting is a medium for promoting 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 the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. 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 and Management are committed to providing shareholders with continuous and timely flow of information about the Group. The Group has a dedicated Investors Relations Unit which focuses on facilitating communication with shareholders and analysts on a regular basis and addressing their queries and concerns. Investors and stakeholders are frequently provided with information about the Bank through various channels including Quarterly Investors Conference Calls, the General Meeting, the website, Annual Report and Accounts, Non-Deal Road Shows and Investors forum at the Stock Exchange.

The Bank has a robust Investors Communication and Disclosure Policy. As provided in the policy, the Board and Management ensure that communication with the investing public about the Bank and its subsidiaries is timely, factual, broadly disseminated and accurate in accordance with all applicable legal and regulatory requirements. The Bank's reports and communication to shareholders and other stakeholders are in plain, readable and understandable format. The Bank's website www.accessbankplc.com is regularly updated with both financial and non-financial information. The details of the Investors' Communication and Disclosure Policy are available at the Investor portal on the Bank's website.

The Board ensures that shareholders' statutory and general rights are protected at all times particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our shareholders are encouraged to share in the responsibility of sustaining the Bank's corporate values by exercising their rights as protected by law.

Access to Information and Resource

Management recognises the importance of ensuring the flow of complete, adequate and timely information to the directors on an on-going basis to enable them make informed decision in discharge of their responsibilities. There is on-going engagement between Executive Management and the Board, and the Heads of Strategic Business Units attend Board meetings to make presentations. The Bank's External Auditors attend the Group Board Audit Committee and the Group Shareholders Audit Committee Meetings to make presentation on the audit of the Group's Financial Statements. Directors have unrestricted access to the Group Management and company information in addition to the resources to carry out their responsibilities. This includes access to external professional advice at the Bank's expense as provided by the Board and Committees' charters.

The Board

The primary function of the Board is to provide effective leadership and direction to enhance the long term value of the Group to its shareholders and other shareholders. It has the overall responsibility for reviewing the strategic plans and performance objective, financial plans and annual budget, key operational initiatives, major funding and investment proposal, financial performance review and corporate governance practices. The Board is the Group's highest decision making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders which is critical to sustainable growth.

Composition and Role

The Board consists of sixteen members made up of nine Non-Executive Directors and seven Executive Directors as set out below. Two of the Non-Executive Directors are Independents and meet the criteria set by the CBN's Guideline on Independent Directors of Banks in Nigeria.

S/n	Name	Designation
1	Mr. Gbenga Oyebode	Chairman
2	Mr. Oritsedere Samuel Otubu	Non-Executive Director
3	Mr. Emmanuel Chiejina	Non-Executive Director
4	Dr. Mahmoud Isa-Dutse	Non-Executive Director
5	Mrs. Mosun Belo-Olusoga	Non-Executive Director
6	Mrs. Kemi Ogunmefun	Non-Executive Director
7	Mr. Paul Usoro, SAN	Non-Executive Director
8	Dr. Ernest Ndukwe	Independent Non-Executive Director
9	Dr. (Mrs.) Ajoritsedere Awosika	Independent Non-Executive Director
10	Mr. Herbert Wigwe	Group Managing Director/Chief Executive Officer
11	Mr. Obinna Nwosu	Group Deputy Managing Director
12	Mr. Victor Etuokwu	Executive Director
13	Mrs. Ojini Olaghere	Executive Director
14	Mr. Elias Igbinakenzua	Executive Director
15	Mr. Roosevelt Ogbonna	Executive Director
16	Mrs. Titi Osuntoki	Executive Director

In line with best practice, the Chairman and Chief Executive Officer's roles in the Bank are assumed by different individuals which ensure the balance of power and authority. 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 and competences of the Executive and Non-Executive Directors who have exceptional degrees of banking, financial and broader entrepreneurial experiences.

In carrying out its oversight functions, matters reserved for the Board include but are not limited to:

- Defining the Bank's business strategy and objectives
- Formulating risk policies
- Approval of quarterly, half yearly and full year financial statements
- Approval of significant changes in accounting policies and practices
- Appointment or removal of directors and company secretary
- Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure
- Approval of charter and membership of Board Committees
- Setting of annual board objectives and goals
- Approval of allotment of shares
- Approval of remuneration of Auditors and recommendation for appointment or removal of Auditors
- Approval of the framework for determining the policy and specific remuneration of Executive Directors
- Monitoring delivery of the strategy and performance against plan
- Review and monitoring of the performance of the Group Managing Director and the executive team
- Ensuring the maintenance of ethical standard and compliance with relevant laws.
- Performance appraisal and compensation of Board members and Senior Executives
- Ensuring effective communication with shareholders
- Ensuring the integrity of financial reports by promoting disclosure and transparency
- Succession Planning for key positions

Appointment Process, Induction and Training of Board Members

The Group's Fit and Proper Person Policy is designed to ensure that the Bank and its subsidiary entities are managed and overseen by competent, capable and trustworthy individuals. In making Board appointments, the Board takes cognizance of the knowledge, skill and experience of a potential director as well as other attributes considered necessary for the role. The Board also considers the need for appropriate demographic and gender representation. Candidates are subjected to enhance due diligence enquiry as required by regulations.

The Governance and Remuneration Committee is responsible for both Executive and Non-Executive Directors succession planning and recommends new appointments to the Board. The Committee takes cognizance of the existing range of skills, experience, background and diversity on the Board in the context of the strategic direction of the Bank before articulating the specifications for the candidate sought. We are comfortable that the Board is sufficiently diversified to optimize its performance.

The Board ensures the regular training and education of board members on issues pertaining to their oversight functions. Regarding new directors, there is a personalized induction programme which includes one-on-one meeting with Executive Directors and Senior

S/N	Training	Venue	Date	Duration	Number in Attendance
1.	International Director's Program	Insead, France	May 28-3, 2014 June 22-25, 2014	4 Days 4 Days	4 1
2	Wharton Advanced Risk Management Program	Wharton, USA	May 4-10, 2014 June 15-21, 2014	7 Days 7 Days	1
3	Training on Basel II	Victoria Island, Lagos	April 28, 2014	1 day	15

Executives responsible for the Bank's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction programme covers an overview of the strategic business units as well as Board processes and policies. A new director receives an induction pack which includes charters of the various Board Committees, significant reports, important legislation and policies, minutes of previous Board Meetings and a Calendar on Board Activities.

The Board believes that a robust induction and continuing professional development will improve directors' performance. It ensures that directors have appropriate knowledge of the Bank and access to its operations. Directors are therefore required to participate in periodic, relevant continuing professional developments to update their knowledge. During the period under review the Directors attended the training courses as shown below.

4	International Director's Program	Fontainebleau, France	11-13 Sep, 12-15 Nov	6 days	4
5	International Director's Program	Singapore & France	29 Sep- Oct 1, 15-18 Dec 2014	6 days	1
6	Women's Leadership Forum	Harvard Business School	June 2-6, 2014	5 days	**1**
7	High Performance Leadership	Sao Paulo	Oct 19 – 24 2014	5 days	1
8	High Performance Leadership	Switzerland	Dec 7 – 12 2014	5 days	1

Delegation of Authority

The ultimate responsibility for the Bank's operations rests with the Board. The Board retains effective control through well-developed Committee structure that provides in-depth focus on Board's responsibilities. Each of the various Board Committees has its own written terms of reference and whose actions are reported to the and monitored by the Board. The Board delegates authority to the Group Managing Director to manage the affairs of the Group within the parameters established by the Board from time to time.

Board Meetings

The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Committee meetings are approved in advance at the last quarter of the preceding year. Material decisions may be taken between meetings through written resolutions as provided for by the Bank's Articles of Association. The Annual Calendar of Board activities include a Board Retreat at an offsite location to consider strategic matters and review the opportunities and challenges facing the institution. All directors are provided with Notices, Agenda and meeting papers in advance of each meeting to enable directors to have adequate time to prepare for the meeting. Where a director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such director reserves the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. Directors are also provided with regular updates on developments in the regulatory and business environment. The Board met six times in 2014. The Board also held its 6th Annual Board Retreat during March 6-8, 2014 to discuss strategic issues affecting the Bank. The Board operates an electronic portal for the circulation of board papers to members. This underscores the Board commitment to embrace environment sustainability by reducing paper usage.

Board Committees

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, 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 has five standing committees namely: Risk Management Committee, Audit Committee, Governance and Nomination Committee, Remuneration Committee and Credit & Finance Committee. The Board accepts that while the various board committees have the authority to examine particular issue and report back to the Board with their decisions and or recommendations, the ultimate responsibilities on all matters lies with the Board. The composition and responsibilities of the committees are set out below:

Name	BAC	BRMC	BCFC	BGNC	BRC
Gbenga Oyebode[1]	-	-	-	-	-
Oritsedere Otubu[1]	M	-	M	M	C
Mahmoud Isa-Dutse[1]	M	C	M	-	-
Emmanuel Chiejina[1]	-	M	M	C	M
Anthonia Kemi Ogunmefun[1]	-	M	M	M	M
Paul Usoro[1]	M	M	M	-	-
Mosun Belo-Olusoga[1]	M	M	C	M	M
Ernest Ndukwe[3]	C	-	M	M	M
Ajoritsedere Awosika[3]	M	-	M	M	M
Herbert Wigwe[2]	-	M	M	M	-
Obinna Nwosu [2]	-	M	M	-	-
Victor Etuokwu[2]	-	-	M	-	-
Ojinika Olaghere[2]	-	M	-	-	-
Elias Igbinakenzua[2]	-	-	M	-	-
Roosevelt Ogbonna[2]	-	-	M	-	-
Titi Osuntoki	-	-	M	-	-

C Chairman of Committee
M Member
\- Not a member
[1] Non- Executive
[2] Executive
3 Independent
BAC- Board Audit Committee
BRMC – Board Risk Management Committee
BCFC- Board Credit and Finance Committee
BGNC-Board Governance and Nomination
BRM - Board Remuneration Committee

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 recommended by the Management Credit Committee. It also acts as a catalyst for credit policy change and oversees the administration and effectiveness of the Bank's credit policies. The Committee met 20 times during the 2014 financial year.

The Committee's key activities during the period include review and approval of credit facilities, review of the Credit Portfolio and the collateral for same, monitoring the implementation of credit risk management policies, approval of credit portfolio plan and sector limits.

Mrs. Mosun Belo-Olusoga chaired the Committee. She is a graduate of Economics from the University of Ibadan (1979) and a Fellow of the Institute of Chartered Accountants of Nigeria and Chartered Institute of Bankers of Nigeria. She retired from Guaranty Trust Bank in 2006 as Executive Director in charge of Investment Banking. She was at various times the Executive Director in charge of Risk Management, Corporate and Commercial Banking, Transaction Service and Settlement at Guaranty Trust Bank.

Governance and Nomination Committee

The Committee formerly known as Governance and Remuneration Committee advises the Board on its oversight responsibilities in relation to all matters on corporate governance, sustainability and nominations affecting the Bank, the directors and employees. It is responsible for determining and executing the processes for board appointments, nominations and removal of non-performing directors.

The key decisions of the Committee in the reporting period include recommendation of Senior Management appointments to the Board; approval of the Bank's revised sustainability report, reviewed the compensation package for employees and recommended same to the Board for approval. The Committee met four times during the period**.**

Mr. Emmanuel Chiejina chaired the Committee. He was the Deputy Managing Director *of* Total E&P. from 2004 to 2007. Mr Chiejina holds a degree in Law from the *University of Lagos* and was called to the bar in 1976 after attending the Nigeria Law School. Before his appointment as Deputy Managing Director, he was Executive Director, Corporate Development and Services with responsibility for human resources.

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 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 review of Management's reports and ensures the appointment of qualified officers to manage the risk function. It evaluates the Bank's risk policies on a periodic basis to accommodate major changes in internal or external environment.

During the period under review the Committee considered and recommended some policies to the Board for approval. The policies include; the Framework for Correspondent Banking, Regulatory Compliance Monitoring Framework and the Framework for Handling and Reporting Customer Complaints. The Committee also monitored and ensured the Group's compliance with relevant regulatory policies. The Committee met four times in 2014.

The Committee is chaired by Dr. Mahmoud Isa-Dutse. He has more than 20 years working experience in the Nigerian banking industry having retired as an Executive Director, United Bank for Africa Plc in 2002. He holds a Doctorate degree in Risk Management from Manchester Business School. He also has Master of Business and Bachelor of Science Degree (Economics) from Wharton Business School and Ahmadu Bello University, Zaria respectively.

Audit Committee

The Committee supports the Board in meeting 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. It oversees the Bank's system of internal control and mechanism for receiving complaints regarding the Bank'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 key issues considered by the Committee during the period included the review and recommendation of Interim and Full Year Audited Financial Statements, review of reports of the Group Internal Auditor and Internal Audit Consultants, review of whistle blowing reports and approval of Internal Audit Plan. The Committee met six times in 2014.

In line with best practice and in compliance with the CBN Code, Dr. Ernest Ndukwe was appointed the Chairman of the Committee in July 2014. Dr. Ndukwe is an Independent Director. He graduated from University of Ife in 1975 and is an alumnus of Lagos Business School. He is a fellow of Nigerian Society of Engineers, Nigerian Institute of Management and Nigerian Academy of Engineering. Dr Ndukwe is also on the faculty of Lagos Business School where he heads the Centre for Infrastructure Policy and Regulation. Other members of the Committee have relevant financial management and accounting background as required by the CBN Code.

Board Remuneration Committee

The Committee was created by the Board in July 2014 and advises the Board on its oversight responsibilities in relation to remuneration of the Bank's directors and employees. It is responsible for determining and executing the processes for recommending appropriate remuneration for directors and employees. In carrying out its function, the Committee will benchmark the salary and benefit structure to similar sized Banks. It also advises the Board on employee benefit plans such as pension, share ownership and other retirement plans, and material amendments thereto. The Committee met once in 2014.

The Committee is chaired by Mr. Oritsedere Otubu. He holds Bachelors and Masters Degrees in Finance and Accounting respectively from Houston Baptist University, United States of America. He has over two decades of professional experience in the financial services industry.

Attendance at Board and Board Committees meetings

The table below shows the attendance of directors to meetings during the reporting period.

	NAMES OF DIRECTORS			Meeting				
		GM	**BoD**	**BRMC**	**BCFC**	***BGNC**	**BRC**	**BAC**
Number of Meetings Held		2	6	4	20	4	1	6
Attendance:								
1	Gbenga Oyebode	2	6	N/A	N/A	N/A	N/A	N/A
2	Oritsedere Samuel Otubu	2	6	N/A	18	4	1	6
3	Emmanuel Chiejina	2	6	3	16	4	1	N/A
4	Mahmoud Isa-Dutse	2	6	4	19	N/A	N/A	6
5	Mosun Belo-Olusoga	2	6	4	20	4	1	6
6	Anthonia Kemi Ogunmefun	2	6	4	20	4	1	N/A
7	Paul Usoro, SAN**	2	5	2	12	N/A	N/A	3
8	Ernest Ndukwe	2	6	N/A	20	4	1	6
9	Ajoritsedere Awosika	2	5	2	16	3	1	1
10	Herbert Wigwe	2	5	4	19	4	N/A	N/A
11	Obinna Nwosu	2	6	4	13	N/A	N/A	N/A
12	Victor Etuokwu	2	6	N/A	16	N/A	N/A	N/A
13	Ojini Olaghere	2	6	4	N/A	N/A	N/A	N/A
14	Elias Igbinakenzua	2	6	N/A	20	N/A	N/A	N/A
15	Titi Osuntoki	2	6	N/A	14	N/A	N/A	N/A
16	Roosevelt Ogbonna	2	6	N/A	18	N/A	N/A	N/A

GM- General Meetings: AGM held on April 30, 2014
EGM held on October 13, 2014

BoD – Board of Directors
BRMC – Board Risk Management Committee
BCFC – Board Credit and Finance Committee
BGNC – Board Governance and Nomination Committee (formerly called Board Governance and Remuneration Committee)
BAC – Board Audit Committee
BRC -Board Remuneration Committee (Created in July 2014)
*Appointed to the Committee in on April 29, 2014

Executive Committee

The Executive Committee (EXCO) is made up of the Group Managing Director as Chairman, the Group Deputy Managing Director, all Executive Directors and Heads of Strategic Business Unit appointed by the Group Managing Director. The Committee 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 Bank's Executive and Senior Management staff. The Committees are risk driven and are set up to identify, analyze 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, Operational 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. Emmanuel Olutoyin Eleoramo	(Shareholder)	Chairman
2.	Mr. Idaere Gogo Ogan	(Shareholder)	Member
3.	Mr. Henry Omatsola Aragho	(Shareholder)	Member
4.	Mr. Oritsedere Otubu	(Director)	Member
5.	Mrs. Mosun Belo-Olusoga	(Director)	Member
6.	Dr. Ernest Ndukwe	(Director)	Member

The Committee is constituted to ensure its independence which is fundamental to upholding stakeholder's confidence in the reliability of the Committee's report and the Group's Financial Statements. There is no Executive Director sitting on the Committee. The Chairman of the Committee is an ordinary shareholder while the shareholders representatives are independent and answerable to the shareholders. The two directors who are members of the Committee are independent of the Management of the Bank while the last of them is an Independent Director.

The duties of the Committee are as enshrined in Section 359(3) and (4) of CAMA. The Committee is responsible for ensuring that the company's financials are void of any misrepresentation or misleading information.

The profile of the shareholders representatives in the Committee are as follow.

1. Mr. Emmanuel O. Eleoramo holds a First Class Degree in Insurance and a Master's Degree in Business Administration (MBA) both from the University of Lagos. He is also an Associate of the Chartered Insurance Institute of London and a Fellow of Chartered Insurance Institute of Nigeria. He has had over 35 years of varied experience in General Insurance Marketing, Underwriting and Employee Benefits Consultancy generally.

   He is one of the major players in the Nigerian Insurance Industry and a past President of the Chartered Insurance Institute of Nigeria. He was the Managing Director/Chief Executive Officer of Nigerian French Insurance Company Ltd and later Whispering Hope

Insurance Company Ltd (now Sterling Assurance Nigeria Ltd) before his appointment as the Managing Director/Chief Executive Officer of Nigerian Life and Pensions Consultants Limited (now Nigerian Life and Provident Company Limited).

2. Mr. Idaere Gogo Ogan is a 1987 graduate of Economic from the University of Port Harcourt and holds a master degree in International Finance from Middlesex University, London. He joined Corporate Bank Department of Guaranty Trust Bank in 1996. He left Guaranty Trust Bank Plc to found D' Group incorporating Becca Petroleum Limited and Valuestream and Cordero Engineering Ltd. He sits on the Audit Committee of Standard Assurance Company Plc.

3. Mr. Henry Omatsola Aragho bagged his Higher National Diploma (Accounting) from Auchi Polytechnic in 1981. He also has a Masters Degree in Business Administration (MBA) from Ogun State University (1999) and qualified as a Chartered Accountant with the Institute of Chartered Accountants of Nigeria (ICAN) in 1985. He was admitted as an Associate Member of Institute of Chartered Accountants of Nigeria in March 1986 and qualified as fellow of the Institute.

   He join the Nigerian Ports Authority in 1982 and retired as General Manager Audit in 2005. He is presently the Managing Consultant of Henrose Consulting Limited and Managing Director Henrose Global Resources Limited.

Record of Attendance at Statutory Audit Committee Meetings

Name	January 27, 2014	August 8, 2014
Emmanuel O. Eleoramo	✓	✓
Idaere Gogo Ogan	✓	✓
Henry Omatsola Aragho	✓	✓
Oritsedere Otubu	✓	✓
Mosun Belo-Olusoga	✓	✓
Ernest Ndukwe	✓	✓

Going Concern

The Directors confirm that after making appropriate enquiries, they have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt going concern basis in preparing the financial statements. Further information on going concern is given in this Annual Report under Director's responsibility.

Succession planning

The Board has a robust policy which is aligned to the Bank's performance management process. The policy identifies key positions, including Country Managing Director positions for all the Group's operating entities in respect of which there will be formal succession planning. The policy provides that potential candidates for positions shall be identified at the beginning of each financial year.

Code of Ethics

The Bank's Code of Conduct specifies expected behaviours for its employees and directors. The code is designed to empower employees and directors and enable effective decision making at all levels of the business according to defined ethical principles. New employees are required to read and sign an attestation that they understood the content. In addition, there is an annual re-affirmation exercise for all employees. There is a Compliance Manual that provides guidelines for addressing violations/breaches and ensuring enforcement of discipline with respect to staff conduct. The Bank also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head Group Human Resources is responsible for the design and implementation of the "Code of Conduct" while the Chief Conduct and Compliance Officer is responsible for monitoring compliance.

The Chief Conduct and Compliance Officer issues at the beginning of the year, an Ethics and Compliance message to all employees. The message reiterates the Bank's policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Bank's business. It enjoins staff to promote the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

Dealing in Company Securities

The Bank implements a Securities Trading Policy that prohibits directors, members of the Audit Committee, employees and all other insiders from abusing, or placing themselves under the suspicion of abusing price sensitive information in relation the Bank's securities. In line with the policy, affected persons are prohibited from trading on the company's security during closed period which is usually announced by the Company Secretary. The Bank has put in place a mechanism for monitoring compliance with the policy.

Remuneration Policy

The Group has established a remuneration policy that seeks to attract and retain the best talent in countries that it operates. To achieve this, the Group seeks to position itself among the best performing and best employee rewarding companies in its industry in every market that it operates. This principle will act as a general guide for the determination of compensation in each country. The objective of the policy is to ensure that salary structure including short and long term incentives motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Bank's reward practices. The Group complies with all local tax policies in the countries of operation.

In recognition of the Bank's level of Personal Income Tax Compliance, the Lagos State Government conferred on the Bank the 2014 Tax Compliance Award for the Corporate Category during the 8th Annual Lagos State Taxation Stakeholders Conference. . The award is a testimony to the Bank's consistency in promptness and adequacy of personal income tax remittance.

Operating within the guidelines set by the principles above; compensation for country staff are based on the conditions in the local economic environment as well as the requirements of local labor laws. The Group office usually commissions an independent annual compensation surveys in the subsidiaries to obtain independent statistics on the local pay markets to arrive at specific compensation structures for each country. Compensation will be determined annually at the end of the financial year. All structural changes to compensation must be approved by the Group Office.

Total compensation provided to employees will typically include guaranteed and variable portions. The specific proportion of each will be defined at the country level. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance based and discretionary.

The Bank has put in place a performance bonus scheme which seeks to attract and retain high performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amount include pay level for each skill sets which may be influenced by relative dearth of skill in a particular area.

The Bank complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels. The Bank also operates an Employee Performance Share Plan for the award of the units of the Bank's shares to its employees subject to terms and conditions determined by the Board of Directors.

The Bank's long term incentive programme rewards Executive Officers for loyal service to the Bank for a period up to 10 years. This is to ensure that Executives share in the Bank's success and focus on the Bank's long term sustainability. The justification for a long term incentive plan for Senior and Executive Management is very compelling given recent industry developments. The stability, loyalty and commitment of senior and executive management need to be strengthened by a long term retirement benefit.

Whistle Blowing Procedure

The Bank expects all its employees and directors to observe the highest level of probity in their dealings with the Bank and its stakeholders. The Bank's Whistle-Blowing policy covers internal and external whistleblowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Bank's internal policies and laws and regulations. The Bank has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee/vendor/supplier/consultant be reported through the Bank's or KPMG Ethics lines or emails details of which are provided below.

Telephone

Internal: +234-1-2712065

External: KPMG Toll free lines: 0703-000-0026; 0703-000-0027; 0808-822-8888;

E-Mail

Internal: whistleblower@accessbankplc.com

External: kpmgethicsline@ng.kpmg.com

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The Bank's website also provides an avenue for lodging whistleblower's reports. Individuals interested in whistle blowing may click on the Customer Service link on the Bank's website, scroll down to the whistleblower column, and then register anonymously or otherwise, any allegations they want the Bank to investigate.

The Bank's Chief Internal Auditor is responsible for monitoring and reporting on whistle blowing. Quarterly reports are rendered to the Board Audit Committee.

The Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that Company's Memorandum and Articles of Association, relevant rules and regulations, including requirements of the Securities and Exchange Commission and Nigerian Stock Exchange are complied with. He also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flows within the Board and its board committees and between management and Non-Executive Directors. The Company Secretary also facilitates the orientation of new directors and assists with professional development as required.

As primary compliance officer for Group's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for Bank's compliance with the listing rules, including advising management to ensure that material information is disclosed promptly.

The Company Secretary attends and prepares minutes for all Board meetings. As secretary for all board committees, he assists in ensuring coordination and liaison between the Board, the board committees and management. The Company Secretary assists the Chairman of the Board, the Chairman/Chairperson of board committees and management in the development of the agendas for the various Board and board Committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

The Nigerian Stock Exchange /Convention on Business Integrity Corporate Governance Rating System

Your company in 2014 became one of the 13 companies to participate in the pilot stage of the Corporate Governance Rating System (CGRS) that was jointly anchored by **The Nigerian Stock Exchange and Convention on Business Integrity. The CGRS is meant to** provide solid information for investors and consumers to differentiate between companies on the basis of their compliance and integrity with minimum acceptable standards of corporate governance. The CGRS score is a composite of various assessments including

- **Compliance Assessment:** this takes account of our compliance with codes, regulations and best practice
- **Fiduciary Awareness:** Based on the certification of directors to ensure they are versed in their legal and regulatory duties, roles and responsibilities
- **Corporate Integrity:** Based on the assessment of the views and opinions of a range of our stakeholders, such as yourself and other experts, on how our compliance works in practice

Out of the thirteen listed companies that volunteered for the pilot phase, eight listed companies including Access Bank were successful in the certification exercise. Our participation underscores our strong commitment to transparency and accountability.

Customer Complaints and Resolution

The Bank complied with the provision of CBN Circular FPR/DIR/C IR/GEN/01/020 dated 16 August 2011 on handling consumer complaints.

Statement of Compliance

The Bank complies with the relevant provisions of the SEC and the CBN Codes of Corporate Governance except for the provision in the CBN Code requiring Banks to have an Executive Director in charge or Risk Management. In the event of any conflict between the provisions of the two codes regarding any matter, the Bank will defer to the provisions of the CBN Code as its primary regulator.

Statement of Directors' Responsibilities in relation to the Consolidated Financial Statements for the year ended 31 December 2014

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act, require the directors to prepare financial statements for each financial year that gives a true and fair view of the state of financial affairs of the Company and Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company and Group;

I. Keep proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and Group and comply with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act;

II. Establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

III. Prepare financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with,

- International Financial Reporting Standards
- Prudential Guidelines for Licensed Banks in Nigeria;
- Relevant circulars issued by the Central Bank of Nigeria;
- The requirements of the Banks and Other Financial Institutions Act and
- The requirements of the Companies and Allied Matters Act; and
- The Revised Guidelines for Discount Houses
- The Financial Reporting Council Act

The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the Company and Group and of the financial performance and cash-flows for the period. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the directors to indicate that the Company and Group will not remain a going concern for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Herbert Wigwe
Group Managing Director

4 March 2015

Victor Etuokwu
Executive Director

4 March 2015

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 annual financial statements for the year ended 31 December 2014 as follows:

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matters Act of Nigeria and acknowledge the co-operation 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 period ended 31 December 2014 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 N3,251,770,013 (December 2013: N53,341,230,000) was outstanding as at 31 December 2014 which was performing as at 31 December 2014 (see note 46)

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 interim 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
March 2015

Members of the Audit Committee are:

1	Mr Oluwatoyin Eleoramo	Shareholder	Chairman
2	Mr. Henry Omatshola Aragho	Shareholder	Member
3	Mr Idaere Gogo Ogan	Shareholder	Member
4	Mr Oritsedere Otubu	Director	Member
5	Dr. Ernest Ndukwe	Director	Member
6	Mrs. Mosun Belo-Olusoga	Director	Member

In attendance:
Sunday Ekwochi – Secretary

Access Bank Plc
Report on customer complaints and feedback
For the year ended 31 December 2014

CUSTOMER COMPLAINTS AND FEEDBACK

Access Bank is fully committed to its core value of 'passion for customers. The Bank prides itself on providing excellent customer services at all times. At the same time, given the number and complexity of financial transactions that take place every day, the Bank recognizes that there will inevitably be occasions when mistakes and misunderstandings occur. In these situations, Access bank encourages customers to bring their concerns to the attention of the bank for prompt resolution. In addition, deliberate efforts are made to solicit customers' feedback on its products and services.

Complaints Channels

In order to facilitate seamless complaint and feedback process, the bank has provided various channels for customers. These include:

- 24 hour contact centre with feedback through emails, telephone, SMS,
- Contacts through the Bank's website
- Customer service desks in over 300 branches and toll-free telephone in the banking halls in key branches. .
- Correspondence from customers
- The Ombudsman desk.

Complaints Handling

We handle customer complaints with sensitivity and in due regard for the needs and understanding of each complainant. Efforts are made to resolve customer's complaints at first level. Where this cannot be done, they are immediately referred to the appropriate persons for resolution. All complaints are logged and tracked for resolution and feedback is provided to the customer.

Resolve or Refer command Centre

In 2011, the 'resolve or refer' initiative was launched to further encourage timely service delivery and First Time Resolution (FTR) of customer issues. The 'Resolve or Refer Command Centre' which is being run by a senior management staff has the mandate to ensure that most customer issues are resolve same day. The command centre provides support to all our departments and branches on issues resolution.

Complaints Tracking and Reporting

We diligently track complaint information for continuous improvement of our processes and services. An independent review of the root cause of complaints made is carried out and lessons learnt are fed back to the relevant business units to avoid future repetition. Customer complaint metrics are analysed and reports presented to Executive Management and the Operational Risk Management committee. Reports on customer complaints are also sent to the Central bank as required.

ACCESS BANK PLC CUSTOMER'S COMPLAINTS FOR THE YEAR ENDED DECEMBER 31, 2014

	NAIRA					
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (NAIRA)		AMOUNT REFUNDED (NAIRA)
		2014	2013	2014	2013	2014
1	Pending compliants B/F	216	180	-	2,049,743,504	-
2	Received Complaints	10,139	6,620	-	17,999,536,634	-
3	Resolved complaints	9,203	6,584	2,415,199	9,085,262,893	1,738,866,384
4	Unresolved Complaints escalated to CBN for intervention	-	7		351,928,517	-
5	Unresolved complaints pending with the bank C/F	1,152	209	-	10,612,088,728	-

	USD					
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (USD)		AMOUNT REFUNDED (USD)
		2014	2013	2014	2013	2014
1	Pending compliants B/F	1	2	-	387	-
2	Received Complaints	148	118	-	429,393	-
3	Resolved complaints	134	121	-	428,867	-
4	Unresolved Complaints escalated to CBN for intervention	-	-		-	-
5	Unresolved complaints pending with the bank C/F	14	1	-	912	-

	GBP					
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (GBP)		AMOUNT REFUNDED (GBP)
		2014	2013	2014	2013	2014
1	Pending compliants B/F	-	-	-	-	-
2	Received Complaints	8	4	-	42,730	-
3	Resolved complaints	6	4	-	42,730	-
4	Unresolved Complaints escalated to CBN for intervention	-	-	-	-	-
5	Unresolved complaints pending with the bank C/F	2	-	-	-	-

	EUR					
S/N	DESCRIPTION	NUMBER		AMOUNT CLAIMED (EUR)		AMOUNT REFUNDED (EUR)
		2014	2013	2014	2013	2014
1	Pending compliants B/F	0	0	-	-	N/A
2	Received Complaints	0	2	-	11,140.00	N/A
3	Resolved complaints	0	2	-	11,140.00	-
4	Unresolved Complaints escalated to CBN for intervention	0	0	-	0.00	N/A
5	Unresolved complaints pending with the bank C/F	0	0	-	-	N/A

Solicited Customer Feedback

Deliberate efforts are made to solicit feedback from customers and staff on the services and products of the bank through the following:
- Questionnaires
- Customer interviews
- Customers forum
- Quest for excellence sessions (for staff)

The various feedback efforts are coordinated by our Innovation and Total Quality Management (ITQM) department. The feedbacks obtained are reviewed and lessons learnt are used for service improvement across the bank.

TAKING CHARGE OF TOMORROW THROUGH EFFECTIVE RISK MANAGEMENT

Responsible risk management remains one of Access Bank's critical success factors in achieving her strategic vision of being the world's most respected African Bank. The Bank's entrenched risk governance structure and management framework, manned by skilled risk team equips the Board and Management with the required information to take timely and informed decisions that maximize opportunities and mitigate against potential threats. The Bank is committed to its frontline position of conforming to international best practices and remains the reference point for effective and efficient risk management in the Nigerian banking space.

Access Bank's Bespoke Approach to Risk Management

As we connect customers to opportunities in Access Bank, we use our well-structured risk management framework and governance structure in identifying, assessing, monitoring, controlling, and reporting the inherent risks in these business activities for the Bank Plc and its subsidiary companies (the 'Bank' or the 'Group'). The Bank's overall risk tolerance is established in the context of its earnings power, capital and diversified business model. The Bank's organizational structure and business strategy is well-aligned with its risk management philosophy. In a bid to push the frontiers of our overall risk profile whilst remaining responsive to the ever-changing risk universe, Access Bank, during the period under review, upgraded the Group's Enterprise Risk Management Framework with the appointment of Head of Risk Management for each of the Strategic Business Units (SBUs) – Personal Banking, Corporate Banking, Business Banking and Commercial Banking Divisions, as well as the Subsidiaries. The Heads of Risk report to the Group Chief Risk Officer. This arrangement provides a comprehensive view of all risks affecting facilities approved in each SBU, thus providing a better and an integrated management of the risks. It also helps to maintain the culture of risk awareness and responsibility throughout the Bank.

Access Bank views and treats risks as an intrinsic part of business and maintains a disciplined approach to its management of risk. Its Group Risk functions remain dynamic and responsive to the needs of stakeholders as it improves its focus on the inter-relationships between risk types. The Bank uses periodic reviews of risk exposure limits and risk control to position itself against adverse scenarios. This is an invaluable tool with which the bank predicted and successfully managed the headwinds – local and global – that disrupted the macro economy in 2014. Market volatility and economic uncertainty, like was witnessed in 2008, are typically contained because the Group regularly subjects its exposures to a range of stress tests across a wide variety of products, currencies, portfolios and customer segments.

Access Bank's risk management architecture is carefully crafted to balance corporate oversight with well-defined risk management functions which fall into one of three categories where risk must be managed: lines of business, governance and 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 Group 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.

Risk strategies and policies are set by the Board of Directors of Access Bank. These policies, which 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 are 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. Specific policies are also in place for managing risks in the different core risk areas of credit, market and operational risks as well as for other key risks such as liquidity, strategic and reputational risks.

Risk, by definition, is dynamic in nature. The management of risk, consequently, must be evolving, necessitating regular review of the effectiveness of each enterprise risk management component. It is in the light of this that Access 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 functions in conjunction with internal audit; and through independent evaluation by external auditors, examiners and consultants.

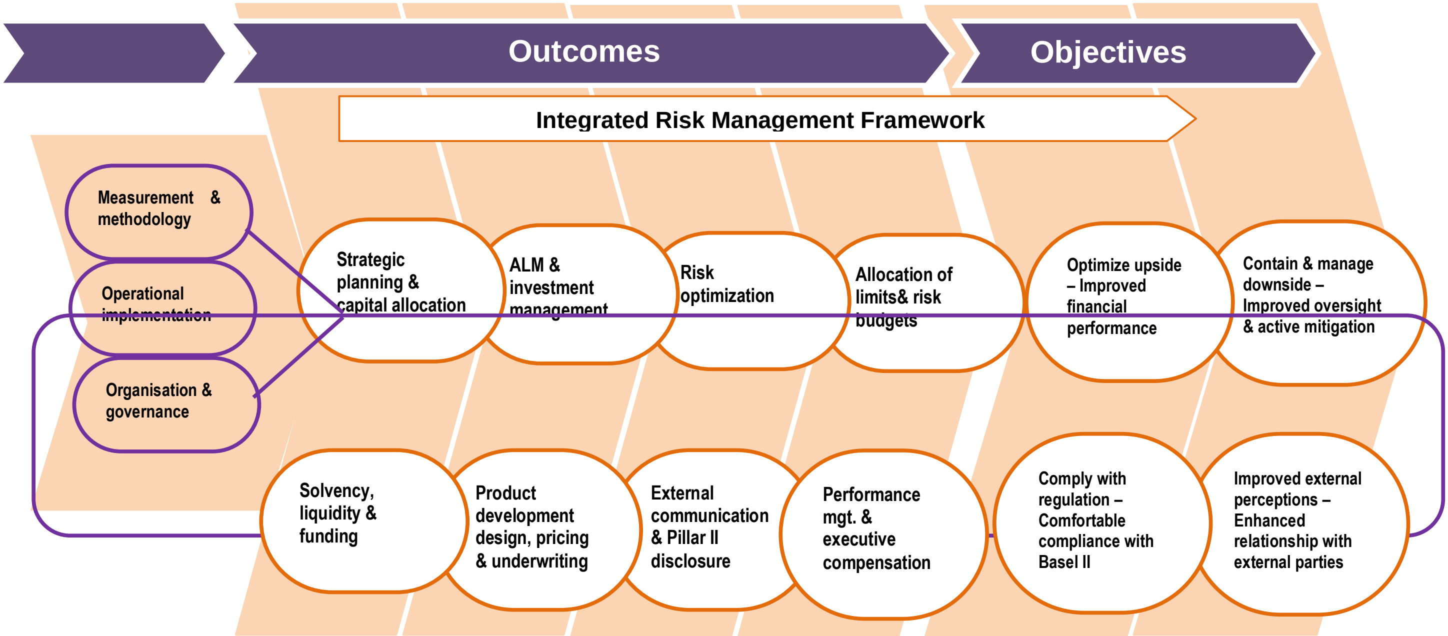
The role of the Group Chief Risk Officer in Access Bank is pivotal as he has the primary responsibility for the overall risk management and effective ERM Framework of both the Bank and its subsidiaries. He provides robust challenge to the management teams based on quantitative and qualitative metrics. Though 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.

To some institutions, risk is viewed as a threat or uncertainty, but to us, it goes beyond that. Risk to us, presents potential opportunities to grow and develop our business within the context of our clearly articulated and Board-driven 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 Group at the leading edge of risk management.

Risk Management Framework

All activities and processes of Access Bank, involve the identification, measurement, evaluation, acceptance and management of risk or combinations of risks. The Board, advised by the various Board and Management Risk Committees, requires and encourages a strong risk governance culture which shapes the Group's attitude to risk. We believe that risk management encompasses the insights delivered by information which facilitate appropriate actions. Access Bank benefits from having enhanced its Group risk management framework, which gives full Group-wide 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.

Risk Practice focused on the future



Ultimately the success of our risk management framework is 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.

Balancing Risk and Return

Balancing risk and return and taking cognisance of the capital required demands rigorous analysis. The ultimate aim is to optimize the upside and minimize the downside with a view to adding value to our shareholders, and providing security to our other capital providers and clients, as well as ensuring overall sustainability in our business activities.

Every business activity in our Group 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 spectrum, 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 optimize 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.

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.

Enterprise-wide Scenario and Stress Testing

We use robust and appropriate scenario stress testing to assess the potential impact on the Group's capital adequacy and strategic plans. Our stress testing and scenario analysis programme is central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effects of extreme but plausible events. 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. The outcome of the testing and analysis is also used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its supply. These enterprise-wide stress tests provide an understanding of the potential impacts on 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. Scenarios are carefully selected by a group drawn from senior line of business, risk and finance executives. Impacts on each line of business from each scenario are then analyzed and determined, primarily leveraging the models and processes utilized 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.

Risk Analytics and Reporting

During the period under review, the Bank established The Risk Analytics and Reporting Group to champion the development and entrenchment of integrated data architecture to enhance risk analytics and reporting within the enterprise-wide risk management (ERM) space in Access Bank. The group deploys leading practice of risk infrastructure, processes and metrics to ensure consistency between the Bank's risk appetite, its business decision processes, and growth outcomes for all stakeholders. The Group has aligned its governance and functions to that of leading global financial institutions and also considered all contents as seen in most jurisdictions where risk management is best practised.

The group gives Risk management space a critical depth and dimension in its risk management activities as it relates to data management and integration. The group is responsible for enhancing all core risk analytical and reporting functions that previously resided in the respective risk areas within our Enterprise-wide Risk Management (ERM), while the Bank's pre-defined governance structures in respect of the above-mentioned functions is retained by the respective risk groups.

The group remains the key driver in ensuring that Access Bank fully implements Basel II/III to the most advance levels in alignment with the Central Bank of Nigeria (CBN) guidelines. The team is also responsible for the Internal Capital Adequacy Assessment Process (ICAAP), stress testing, Liquidity Risk measurement and other risk measurement activities. The group aligns its reporting with the Bank's predefined government structure such as BRMC, BCC and ERMC.

The functional set up of the Risk Analytics and Reporting group is as follows:

- Data management and integration
- Integrated Risk Analytics
- Integrated Risk Reporting

Data Management and Integration.

This unit is responsible for the development and maintenance of the enterprise Risk data architecture with a roadmap geared to promoting data integrity, data quality and ensuring integration with risk analytics and reporting.

The group has a data governance structure which enforces risk data governance and discipline across the Bank as well as data quality measurement metrics to reduce the Bank's risk exposure due to data quality issues.

An efficient structure has been put in place to ensure auto-reconciliation of data across risk and finance silos to improve timeliness and consistency of risk reporting. The group is in the process of developing a data structure model which will support the risk analytics and reporting activities, thus driving improvements.

Integrated Risk Analytics

The group guides the analytical input into the implementation of various risk software and their on-going implementation in Credit risk, Market risk, Operational risk and other risk areas. The unit also drives the development as well as implementation of the internal and regulatory risk measurement methodology and models for the core risk elements; examples of the model are Rating models, Scoring models, Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) ,etc.

The unit designs stress test models and implements the same on the Bank's portfolios and risk profile as well as comprehensive risk analyses to provide insight into all current Strategic Business Unit (SBU) risk profiles. The group also drives the full implementation of Basel II/III and manages the Internal Adequacy Assessment Process (ICAAP).

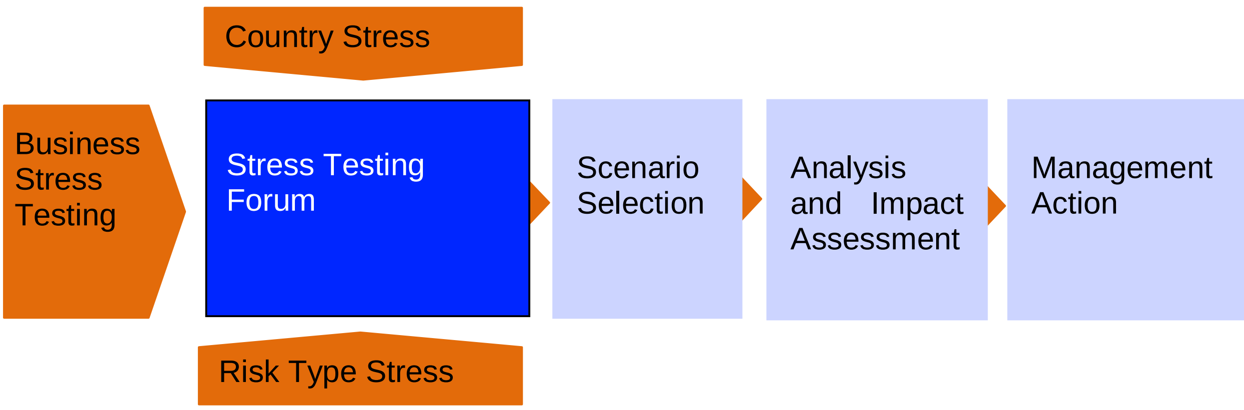
In 2014, the group developed the Risk Embedded Performance Management Frame work as part of the process of maintaining and aligning behaviours with the Bank's moderate risk appetite. Business performance will subsequently be monitored with a focus on financial performance and risk exposures being aligned with the Bank's risk appetite. The Budget of 2015 was built with risk appetite as an integral part of the financial target determination. Varieties of triggers were employed and an automated process was created to efficiently track compliance and apply a risk charge to the various SBUs where there are deviations.

Integrated Risk Reporting.

The group strives to improve all in-house analytical reporting of risk management in the bank and stimulate a culture of data-driven analytical insights for every decision impacting all risk touch points in the risk management process.

The quality of risk reporting was also enhanced in 2014 by implementing an automated risk reporting system known as the Risk Management Report Portal and the subsequent inclusion of the Subsidiary Risk Management portal. This has led to easy and timely access to risk reports, provided early warning signals, better limit monitoring and better decision making for all units across risk management.

Stress testing framework



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

Economic Intelligence: Forward Thinking

Information and intelligence are a must-have feed in any productive business thought-process. In today's business space, information and intelligence are no longer seen as a side item in the Boardroom. They are now seen as a resource in the same vein as energy, human resources, raw materials etc by forward-looking businesses. The Economic Intelligence Unit of Access Bank is a dependable ally in achieving the Bank's goals and strategic objectives.

Economic Intelligence is all the sets of concepts, methods and tools which unify all the coordinated actions of research, acquisition, treatment, storage and diffusion of information relevant to the organization. The Economic Intelligence Team is completely focused on our body-corporate, Access Bank Plc and every other stakeholder in the framework of the Bank's overall strategy. It is in the business of positioning information and intelligence as tools for risk reduction, brand promotion, strategy formulation/development and competitiveness.

Risk Management Philosophy, Culture, Appetite and Objectives

Access Bank's Risk management philosophy and culture remain fundamental to the delivery of our strategic objectives. 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 our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity.

The Bank's acclaimed risk management process has continued to achieve desired results as evidenced by improved risk ratios and independent risk ratings. In line with the Group's core value of excellence, the Group'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 Group's decision-making and management process. It is embedded in the role of all employees via the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

Access Bank considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize 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.

Risk management process

Group risk oversight approach

Our risk governance framework, of which our risk appetite framework is a significant element, ensures the appropriate oversight of and accountability for the effective management of risk. 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 function provides a central oversight of risk management across the Bank to ensure that the full spectrum of risks facing the Bank are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The function is complemented by the financial control and strategy group in the management of strategic and reputational risks.

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 Group 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 Group 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 Group'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), Liquidity and economic capital adequacy. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (e.g. credit, market and asset and liability management risks).

The Bank's risk profile is assessed through a 'bottom-up' analytical approach covering all of the Group's major businesses 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 2014, the risk appetite metrics were tracked against approved triggers and exceptions were reported to management for prompt corrective actions. Key issues were also escalated to the Enterprise Risk Management committee and the Board Risk Management Committee.

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 maximize earnings potential and opportunities;

- To maximize 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 is 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 Division, the Financial Control and Strategy Group, and other key stakeholders with respect to risk management are highlighted below:

Risk Management 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:

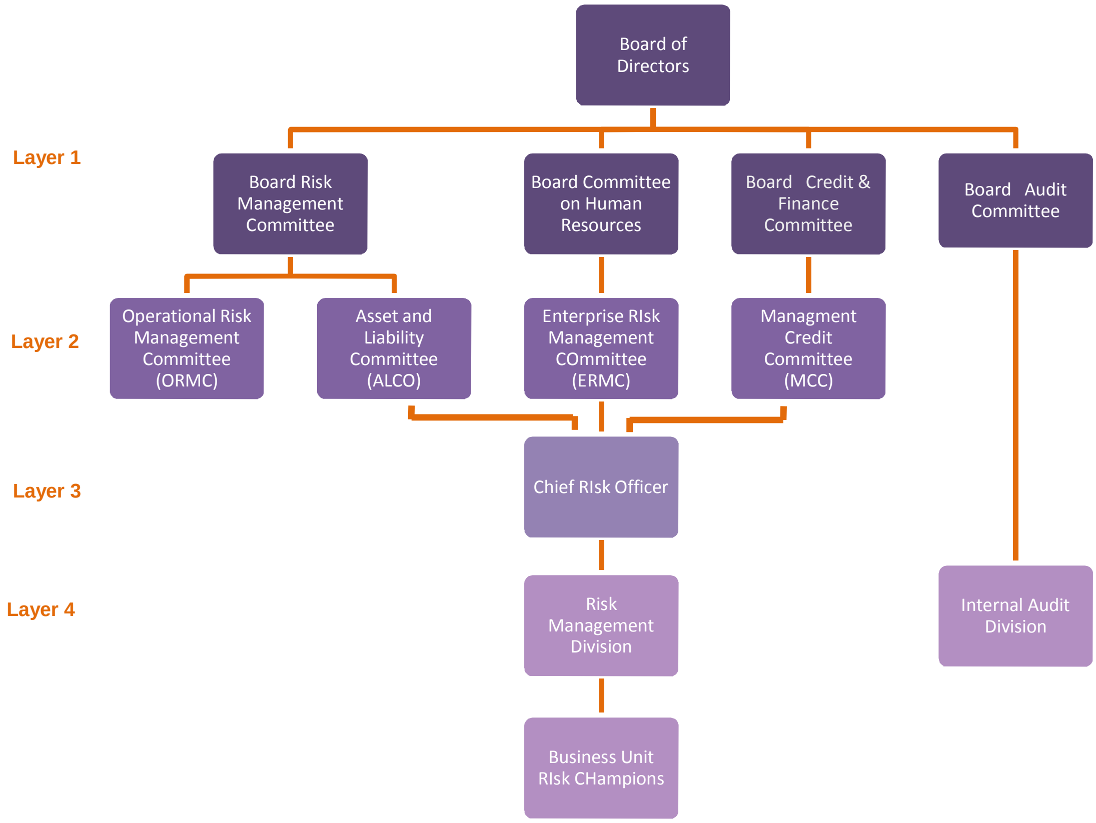
1. The enterprise-wide risk management and corporate governance committee forums;

2. The executive management committees; and

3. Risk management responsibilities per risk area.

Risk Management Governance Structure

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



Roles of the Board of Directors

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

Specific roles in these areas are further defined below:

General

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 Banks 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 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 Bank 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 on-going 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.

Strategic Risk

a) Oversee the strategic risk management process.

b) Ensure that the bank has in place an appropriate strategic risk management framework which suits its own circumstances and needs;

c) Ensure that the strategic goals and objectives are set in line with its corporate mission and values, culture, business direction and risk tolerance;

d) Approve the strategic plan (including strategies contained therein) and any subsequent changes, and review the plan (at least annually) to ensure its appropriateness;

e) Ensure the organization's structure, culture, infrastructure, financial means, managerial resources and capabilities, as well as systems and controls are appropriate and adequate to support the implementation of its strategies.

f) Review high-level reports periodically submitted to the Board on the overall strategic risk profile, and ensure that any material risks and strategic implications identified from those reports are properly addressed; and

g) Ensure that senior management is competent in implementing strategic decisions approved by the Board, and supervising such performance on a continuing basis

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, structure, frequency of meetings, duties, tenure, and reporting lines to the Board.

In line with best practice, the Chairman of the Board does not seat 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 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).

The roles and membership of the committees

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.	The Committee is made up of 8 members comprising 5 Non-Executive Directors and three Executive Directors. The Committee is chaired by Dr. Madmoud Isa-Dutse a Non-Executive Director
Board Audit Committee	The committee assists the Board in ensuring the independence of the Bank's Internal Audit function.	The Committee has 6 Non-Executive Directors as members inclusive of two Independent Directors. The Committee is chaired by Dr. Ernest Ndukwe - an Independent Director.
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.	The Committee consists of 14 members comprising 8, Non-Executive Directors and 6 Executive Directors. Mrs. Mosun Belo-Olusoga chairs the Committee.

Board Governance and Nomination Committee	The Committee advises the Board on its oversight responsibilities in relation to all matters on corporate governance, sustainability and nominations affecting the Bank, the directors and employees. It is responsible for determining and executing the processes for board appointments, nominations and removal of non-performing directors	The Committee is made up of 7 members comprising 6 Non-Executive Directors and 1 Executive Director
Board Remuneration Committee	The Committee advises the Board on its oversight responsibilities in relation to remuneration of the Bank's directors and employees It is responsible for determining and executing the processes for recommending appropriate remuneration for directors and employees.	The Committee consists of 6 Non-Executive Directors inclusive of 2 Independent Directors. It is chaired by Mr Oritsedere Otubu.
The Executive Committee	The committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Bank's resources.	The Committee consists of the Group Managing Director, as Chairman, Group Deputy Managing Director, all Executive Directors and such Heads of Strategic Business Units as appointed by the Group Managing Director.
Enterprise Risk Management Committee (ERMC)	The 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.	The Group Managing Director (Chairman) The Group Deputy Managing Director All Executive Directors Chief Risk Officer Chief Compliance Officer Chief Financial Officer All ERM Division Group Heads Head, Corporate Affairs Head, Legal Department Head, Information Technology
Management Credit Committee	This Committee is responsible for managing Bank's credit risks.	The membership of the committee is as follows: Group Managing Director/Chief Executive Officer – Chairman Group Deputy Managing Director – Vice Chairman All Executive Directors Chief Risk Officer Heads of Risk, Credit Risk Management Team Leads, Credit Risk Management Group Heads, Commercial Banking Group Heads, Corporate and

		Investment Banking Group Heads, Business Banking Group Heads, Personal Banking Group Heads, Operations & IT Group Head, Compliance and Internal Controls Group Head, Internal Audit Group Head Corporate Counsel (or his/her nominee)
Group Asset & Liability Committee	The Committee 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.	The Group Managing Director/Chief Executive Officer – Chairman The Group Deputy Managing Director The Group Executive Directors Chief Risk Officer Country Managing Directors Country Treasury Heads The Group Treasurer; Head, Financial Control – Domestic Head, Financial Control – International Head, Group Asset & Liability Management Head, Group Market Risk Heads of Risk, Credit Risk Management
Operational Risk Management Committee	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, Group Operational Risk Management 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 on-going 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:

a) Review credit policy recommendations for Board approval;
b) Approve individual credit exposure in line with its approval limits;
c) Agree on portfolio plan/strategy for the Bank;
d) Review monthly credit risk reports and remedial action plan; and
e) 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 programs 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.

Group Asset & Liability Committee (Group 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 (hereinafter called the Group) 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 Group ALCO and Group ALCO, through this mandate, shall be responsible for the establishment of appropriate policies and limits across the Group;
- 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 Group ALCO to enable it to perform its function;
- Country ALCO will be responsible for proposing amendments to Policies for approval and ratification by Group ALCO, such amendments having been first approved at the Country ALCO;
- Group 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 i.e. Central Bank, ALCO etc;
- Group 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 Group 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 Group ALCO and the Group'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 Group 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 Group ALCO and the Group 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.

Roles of senior management

The roles of senior management as it relates to risk management are as:

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 Group 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 emphasize on, the importance of operational risk management and assure adequate participation;
- Co-ordinate 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

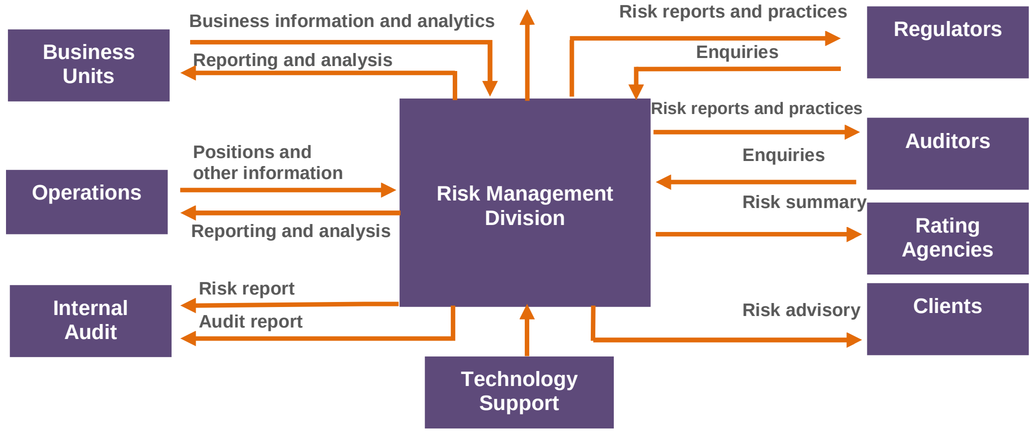
- Coordinate all risk management activities in the business unit, including compliance with risk policies and procedures;
- Provide on-the-job training on risk management to other staff;
- Liaise with risk management and compliance division to obtain new systems, approaches and methods for managing risks 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, analyze 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/optimization 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 Division – relationship with other units

- The relationships between risk management division (RMD) and other units are highlighted below:
- RMD sets risk policies and defines risk limits for other units in the Bank;
- RMD performs bank-wide risk monitoring and reporting;
- Other units provide relevant data to RMD for risk monitoring and reporting and identify potential risks in their line of business and RMD provides a framework for managing such risks;
- RMD and market facing units collaborate in designing new products;
- RMD and internal audit co-ordinate activities to provide a holistic view of risks across the Bank;
- RMD makes recommendations with respect to capital allocation, pricing and reward/sanctions based on risk reports; and
- Information technology support group provides relevant user support to the RMD function in respect of the various risk management software.

Risk Management Division – relationship with other units



Key Developments in 2014

Creation of an Integrated Heads of Risk Function for each SBU

The Group's Enterprise Risk Management Framework was strengthened in 2014 with the appointment of Head of Risk Management for each of the SBUs- Personal Banking, Corporate Banking, Business Banking and Commercial Banking Divisions as well as the Subsidiaries. The Heads of Risk report to the Group Chief Risk Officer. This arrangement has the core advantage of providing a comprehensive view of all risks affecting credits approved in each SBU thus providing better and an integrated management of the risks.

ISO 22301 Certification

In demonstration of its commitment to best practices, the Bank was awarded ISO 22301:2012 (Societal Security - Business Continuity Management System) certification by the British Standards Institute (BSI) during the year. The certification applies to the Bank's core functional areas which include the Central Processes and Services at the Head Office and annexes supporting the Treasury and Asset Management, Retail and Corporate accounts, E-banking, Trade Services, Payment and Collection, Personal and Corporate loans, Funds and wealth management functions.

Capacity building in risk management

In 2014, the bank engaged in various activities to ensure that employees in all functional areas are adequately empowered to manage risk across the organization. The following training and certifications were obtained by ERM staff during the period under review:

	Certification/Training	**No of staff**
1	Certified Operational Risk manager	21
2	Certified Risk Specialist	20
3	Certified ISO 31000 on Risk management	40
4	Liquidity Master Class	20
5	Liquidity Risk Management and measurement Basel III	20
6	Loan & Transaction Monitoring Master Class	20
7	Risk Management & Measurement Techniques	20
8	Bank Stress Testing for Extreme Events	20
9	Retail Credit Appraisal & Loan Workout strategy	20
10	Problem Loan, Distressed Asset Management, Restructuring & Exit Strategies	20

A dedicated Environmental and Sustainability Unit was established. Also, an automated Environmental and Sustainability review process was put in place, thus driving the embedding of E & S consideration in risk decision making.

Enhancement of Economic Intelligence – The critical role of the Economic Intelligence was enhanced. During the year under review, their work was tailored to meet with the information/intelligence needs of our many stakeholders – internal and external. The team continued to use the sets of concepts, methods and tools which unify all the coordinated actions of research, acquisition, treatment, storage and diffusion of information relevant to the organization.

Fortification of the Bank's Risk Analytics and Reporting – The development and entrenchment of integrated data architecture to enhance risk analytics and reporting with risk modelling within the enterprise-wide risk management (ERM) space in Access Bank was fortified in 2014. The group deploys leading practice of risk infrastructure, processes and metrics to ensure consistency between the Bank's risk appetite, its business decision processes, and growth outcomes for all stakeholders. The Group has aligned its governance and functions to that of leading global financial institutions and also considered all contents as seen in most jurisdictions where risk management is best practiced. The coverage of the Risk Portal was further strengthened to incorporate risk reporting for all risk areas including market, operational and credit risk.

Summary of key risks and developments in 2014

Risk Type	Definition	Features	Key developments in 2014	Risk mitigation
Credit risk	The risk of loss arising from the failure of a client or counterparty to fulfil its obligations to the Group.	Potential risk to earnings and capital. Significant correlation between credit risk and the macroeconomic environment. Potential for large material losses due to concentration risk.	Structural realignment of the credit risk function to support the Bank's new 5 year strategy of growing the retail end of the market. Dedicated risk management teams were created for Personal Banking and Business Banking during the year.	Optimisation of the new automated credit processing and collateral management platform Intensified training for credit risk management staff. Strengthening of Credit risk monitoring unit. Increased focus on compliance with internal concentration limits.
Market risk	The risk of losses in On and Off-balance sheet positions arising from adverse movements in market prices and rates	Potential for large material losses from complicated treasury products. Potential for losses due to volatilities and stress events	Oil prices plunged to a six year low owing to a combination of weaker-than-expected demand and steadily rising supply from new discoveries and the Shale boom from the US. Increase in Cash Reserve Ratio to 20% for private	The use of limits and management action triggers for strict adherence to the Bank's internal policies and risk appetite Repricing of assets and liabilities in line with market realities Limiting transactions to approved counterparties

			sector funds & 75% for public sector funds. Increased in MPR to 13% from 12% High volatility in fixed income markets Spikes in Interbank lending rates FX Trading position reduced to 0% of SHF. Naira Devaluation by 8.4%, midpoint moved from N155 to N168 to a Dollar	Significant investments are approved by the board and all others by the relevant management committees Review of trading limits in line with emerging market realities. Developed a formal Framework for Managing Foreign Currency Lending and Funding Oil price hedging in support of our lending activities.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events.	Frequent small losses that can become surprisingly high. Infrequent material losses with high impact.	High level of external threats e.g. electronic fraud attempts and physical Security exposed the Bank to operational risks.	Diligent implementation of our enhanced policy standards and control frameworks Escalation of material events to Divisional and Group Executives. Bank wide risk appetite training for all staff. Strengthening of risk measurement and reporting process through automation. Promoting adoption of best practices, ISO standards
Funding and liquidity risk	The risk of being unable to meet short term obligations as they fall due.	May disrupt the business model and disrupt the Group's activities. Significantly	Focus was geared towards consolidating balance sheet growth through deposit mobilisation utilising the bank's	Significant liquidity reserve - Bank's liquidity ratio was consistently above regulatory limits. Continuous drive for low cost deposit to enhance stable funding and

		correlated with credit risk losses.	Value Chain Model and the enhanced customer base	maintain healthy margins. Eurobond issuance and planned capital enhancement.
Regulatory risk	The risks arising from changes in law, guidelines and other regulatory enforcement.	Compliance with laws and regulations. Potential for fines and/or restrictions in business activities.	Several circulars were issued by regulators during the year in line with the ongoing reforms in the banking industry	Proactive engagement strategy with the CBN and other regulators, driven by a well-developed Regulatory Risk framework New regulations and compliance plan are discussed in management and board committee risk meetings.
Other risks (Reputation, Strategic e.t.c)	The risk of failure to comply with applicable financial services regulatory rules and regulations. 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	Expose the Group to penalties and reputation damage. Failure to meet expectations of stakeholders.	Negative publicity or reputational risk event during the year were managed to a minimum level.	Close monitoring of all reputational risk event drivers Adherence to the principle of zero tolerance for regulatory breaches Active engagement with all stakeholders - customers, investors, regulators, staff, etc. All significant strategic actions are approved by the Board

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 (i.e. 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 scrutinize 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 IFRS and 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 Criticized 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 groups.

Principal Credit Policies

The following are the principal credit policies of the Bank:

Credit Risk Management Policy: The core objective is to enable maximization of returns on a risk adjusted basis from banking book credit risk exposures that are brought under the ambit of Credit Risk Management Policy by putting in place robust credit risk management systems consisting of risk identification, risk measurement, setting of exposure & risk limits, risk monitoring & control and reporting of credit risk in the banking book.

Credit Risk Mitigant Management Policy: The objective is to aid in effective credit portfolio management through mitigation of credit risks by using credit risk mitigation techniques.

Credit Risk Rating Policy: The objective of this policy is to ensure reliable and consistent Obligor Risk Ratings (ORRs) and Facility Risk Ratings (FRRs) throughout Access Bank and to provide guidelines for risk rating for retail and non-retail exposures in the banking book covering credit and investment books of the Bank.

Country and Cross Border Risk Management Policy: The objective of this policy is to establish a consistent framework for the identification, measurement and management of country risk across Access Bank.

Internal Capital Adequacy Assessment Process (ICAAP) Policy: The objectives of the policy are identification of material risks, measurement of material risks, monitoring & control of material risks and reporting of material risks.

Enterprise-wide Risk Management Policy: The core objective is to provide reasonable degree of assurance to the Board of Directors that the risks threatening the Bank's achievement of its vision are identified, measured, monitored and controlled through an effective integrated risk management system covering credit, market, operational, interest rate, liquidity and other material risks.

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 will validate such ratings.

Notwithstanding who derives the risk rating, 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.

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 analyzed 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 size and risk rating 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 goal is to adopt the Internal Rating Based ("IRB") approach. The data required to facilitate the IRB approach are 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 Programs). 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 the 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 review is specified as a condition of the approvals. Interim material changes to the Risk Rating Process, as determined by the 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
Group Managing Director	N 200,000,000
Group Deputy Managing Director	N 150,000,000
Group Executive Director	N 75,000,000
Managing Directors of bank subsidiaries	See Below:

COUNTRY	APPROVAL LIMIT (N)
DEMOCRATIC REPUBLIC OF CONGO	10 MILLION
GHANA	65 MILLION
RWANDA	20 MILLION
RWANDA	10 MILLION
ZAMBIA	10 MILLION

In addition, approval and exposure limits based on internal Obligor Risk Ratings have been approved by the Board for the relevant credit committees as shown in the table below

ACCESS BANK RATINGS	CREDIT RATING BY S&P'S	BOARD OF DIRECTORS	BOARD CREDIT COMMITTEE	MANAGEMENT CREDIT COMMITTEE
1	AAA	SINGLE OBLIGOR	N20Billion	N10Billion
2+	AA	SINGLE OBLIGOR	N20Billion	N7.5Billion
2	A	SINGLE OBLIGOR	N10Billion	N2 Billion
2-	BBB	SINGLE OBLIGOR	N10Billion	N1Billion
3+	BB+	SINGLE OBLIGOR	N10Billion	N500Million
3	BB	SINGLE OBLIGOR	N10Billion	N500Million
3-	BB-	SINGLE OBLIGOR		Above N100Million
4	B	SINGLE OBLIGOR		
5	B-	SINGLE OBLIGOR		

Collateral Policies

It is the Group’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 realizable 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 collateralization 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 be taken into consideration while using a credit risk mitigant to control credit risk.

“Bank can utilize 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 it can compensate for the insufficient information. It should be recognized that any credit enforcement actions (e.g. 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 Group'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 Group's policy that all credit exposures are adequately collateralised. Credit risk mitigation is an activity of reducing credit risk in an exposure

Provisioning policy
A loan or loan portfolio is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the loan or loan portfolio that can be reliably estimated.

Market Risk Management
Definition

Access Bank is faced with the risk of decline in its earnings and capital arising from adverse changes in market variables; such as interest rate and foreign exchange rate. Market Risk is the risk that the value of on/off-balance sheet positions will be adversely affected by movements in equity prices, interest rates, currency exchange rates and commodity prices. Access Bank is exposed to market risk through the positions created in its trading and banking books.

Market risk policy, management and control

Over the years, the Nigerian financial market has witnessed a dramatic expansion in the array of financial services and products. This tremendous growth in scale and scope has also generated new risks with global consequences, especially market risk, necessitating an assessment of exposures to the volatility of the underlying risk drivers.

These developments have prompted a comprehensive and dynamic Market Risk Policy, ALM Policy, Liquidity Policy, Stress Testing Policy, e.t.c. to ensure that risks faced across business activities and on an aggregate basis are within the stipulated risk appetite of the Bank. These policies have been benchmarked with industry and international best practices, and CBN regulations.

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. Limits are set based on the approved risk appetite, underlying liquidity as well as legal limitations on individual positions imposed by the regulatory authorities in Nigeria. The specific limits are proposed by the Group Head, market risk management and the Bank's Chief Risk Officer and approved by the Bank's Executive Management, relevant management committees, and ultimately by the Board.

The Bank runs a state-of-the-art integrated and straight through processing treasury system for enabling better measuring, monitoring and managing interest rate and foreign exchange risks in the bank. Liquidity, Exchange Rate, and Interest Rate risks are managed through various metrics viz. Liquidity Gap Analysis, Dynamic Cash Flow Analysis, Liquidity Ratios, Value at Risk (VaR), Earnings at Risk (EaR) and Sensitivity Analysis. The primary aim of these processes is risk forecasting and impact mitigation through management action and portfolio rebalancing.

The risk reporting mechanism in the Bank comprises disclosures and reporting to the various management committees viz. Enterprise Risk Management Committee, Asset Liability Committee and the Board Risk Management Committee. The Risk Committees receive daily/weekly risk dashboard and monthly/quarterly reports which are presented at the committee meetings. Depending on the market conditions and risk outlook, recommendations are made to the risk management committees in respect of the market risk profile, risk appetite appraisal; as well as review of limits against actual position.

The Bank regularly conducts stress testing to monitor its vulnerability to unfavorable shocks. It monitors and controls its risk, using various internal and regulatory risk limits for trading book and banking book which are set according to a number of criteria including economic scenario, business strategy, management experience, peer analysis and the Bank's risk appetite.

In line with the CBN circular on new capital adequacy framework, Access Bank has adopted the standardised duration approach for market risk and has obtained the board approval for the policy on Internal Capital Adequacy Assessment Process (ICAAP). This policy defines and sets processes to review and improve the techniques used for identification, measurement and assessment of all material risks and resultant capital requirements.

Also, the bank has put in place a detailed plan for the full implementation for the Basel II & III frameworks and has also put in place a road map for the migration to more advanced capital computation method which factors in the actual loss experience of the bank.

Non-trading portfolio

The principal objective of market risk management of non-trading portfolios is to optimize net interest income. Due to the size of the Bank's holdings in rate-sensitive assets and liabilities, a major area of market risk exposures in the bank is the interest rate on the banking book. This risk arises from the mismatch between the future yield on assets and their funding cost, as a result of interest rate changes. The Bank uses a variety of tools to track and manage this risk:

Re-pricing gap analysis (which allows the Bank to maintain a positive or negative gap depending upon the forecast of interest rate position). The size of the gap is then adjusted to either hedge net interest income against changing interest rates or to speculatively increase net interest income
Liquidity gap analysis
Earnings-at-Risk (EAR) using various interest rate forecasts
Sensitivity Analysis

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.

Re-pricing and Liquidity Gap Analysis

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 NIBOR 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 Group 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 Group. 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 Group's non-trading activities.

Earnings-at-Risk (EAR) Approach

The principal tool used to measure and control market risk exposure within the Group'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 optimizing 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.

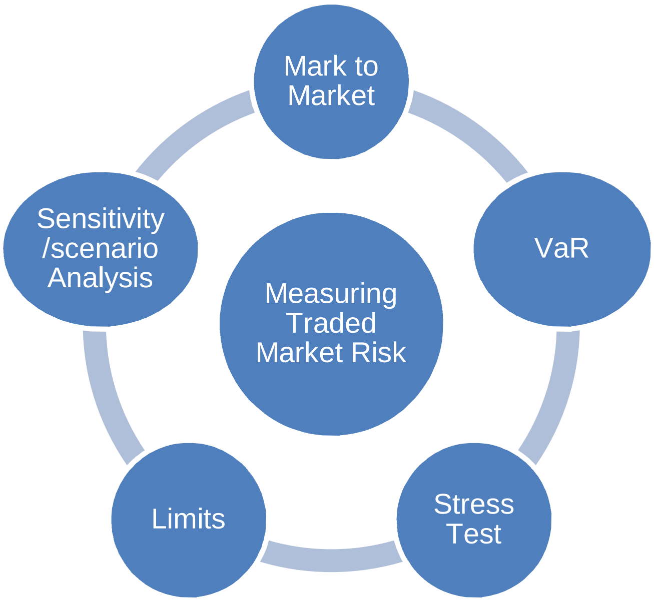
Sensitivity Analysis and Stress Testing

Sensitivity analysis and stress testing are risk measurement techniques that help us ensure that the risks the Bank takes remain within our risk appetite and that our level of capital remains adequate. Sensitivity analysis involves varying a single factor (e.g. a model input or specific assumption) to assess the impact on various risk measures.

Stress testing generally involves consideration of the simultaneous movements in a number of risk factors. It is used to measure the level of potential unexpected losses for Credit, Market (both trading and non-trading), Operational and Liquidity Risks.

Under potential adverse conditions, stress testing plays an important role in supporting overall capital management and adequacy assessment processes. Our enterprise-wide stress testing program utilizes stress scenarios featuring a range of severities based on unlikely but possible adverse market and economic events. These common stress scenarios are evaluated across the organization, and results are integrated to develop an enterprise-wide view of the impacts on our financial results and capital requirements. This program uses macro-economic projections and applies them as stress impacts on the organization viz-a-viz the various risk types.

Trading portfolio
The measurement/control techniques used to measure and control traded market risk (interest rate and foreign exchange risk) include daily valuation of positions, limit monitoring, gap analysis, sensitivity analysis, Value at Risk, tail risk, stress testing, e.t.c.



Limits
Specific limits and triggers (regulatory and in-house) have been set across the various market risk areas to prevent undue exposure and the market risk management group ensure that these limits and triggers are adhered to by the bank. The following limits currently exist;

Fixed income and FX Open Position Limits (OPL): The Bank, in keeping with the prudency concept, sets its policy limit for Open Position at a level lower than the maximum OPL approved by the regulatory authority. In setting the internal OPL, the following considerations are imperative:

- The Regulatory OPL;
- The Bank's tolerance and appetite for FX risk;
- The size and depth of the FX market in Nigeria;
- The degree of volatility of traded currencies; and
- The Bank's desired positioning in the relevant FX market with requirements for international business support.

Interbank placement and takings Limit**:** In line with Banks drive to be a top liquidity provider in the financial market, stringent controls have been set to ensure that any takings from interbank are preceded by proper authorization, to reduce the risks that come with huge interbank borrowing.
Management Action Trigger (MAT): This establishes decision points to confirm the Board of Directors' tolerance for accepting trading risk losses on a cumulative basis. MAT therefore, takes into account actual cumulative profit/loss as well as potential losses and the loss tolerance is defined as a percentage of Gross Earnings.
Stop Loss Limit: This limit sets a maximum tolerable unrealized profit/loss to date which will trigger the closing of a position in order to avoid any further loss based on existing exposures. Positions are liquidated uniformly when stop loss limits are breached.
Dealer Limits: This limit sets a maximum tolerable unrealized profit/loss to date based on existing exposures for a specific dealer. Positions are liquidated uniformly when the dealer stop limit is breached independent of the global stop loss limit.
Value-at-Risk Limit: The normal VaR of the portfolio will be the Naira loss that will be exceeded 1% of the time over a one day horizon. The time period may be changed depending on the

volume of position held and current market realities. At a maximum of 99% confidence level, and a holding period of 1 day, the bank maintains a VaR limit of 0.25% of Gross earnings.

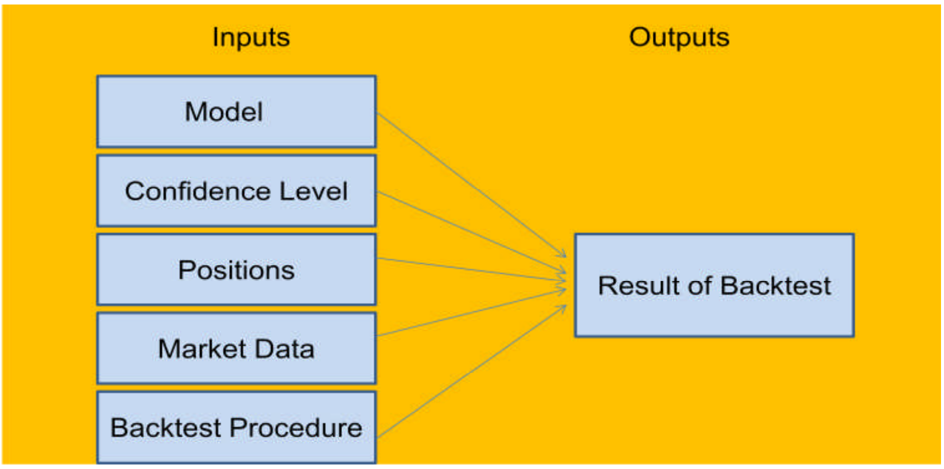
These risk limits are set and reviewed at least annually to control Access Bank's trading activities in line with the defined risk appetite of the Group. Criteria for setting risk limits include relevant market analysis, market liquidity and business strategy. Trading risk limits are set at an aggregate,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

Mark-to-Market (MTM)
The marking-to-market technique establishes historical profit/loss by revaluing money market exposures to prevailing market prices. When no market prices are available for a specific contract period, mark-to-model is used to derive the relevant market prices; it is the Bank's policy to revalue all exposures categorized under the securities trading portfolio on a daily basis. As a general guide, marking to market is performed independently of the trading unit i.e. prices/rates are obtained from external sources.

Value at Risk (VaR)
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.
Access Bank uses an internal VaR model based on the historical simulation method. Two years of 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. This model covers general market (position) risk across all approved interest rate and foreign exchange products.
There are a number of considerations that should be taken into account when reviewing VaR 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.
VaR does not indicate the potential loss beyond the selected percentile.
Intra-day risk is not captured.
Prudent valuation practices are used in the VaR calculation when there is difficulty obtaining rate/price information.
To complement VaR, stress testing and other sensitivity measures are used.

Back testing
The VaR model 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 back testing, which counts the number of days when daily trading losses exceed the corresponding the VaR estimate.



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

Stress testing
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.

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.
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.

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 centralized within Corporate Treasury. We believe that a centralized approach to funding and liquidity risk management enhances our ability to monitor liquidity requirements, maximize access to funding sources, minimizes borrowing costs and facilitate timely responses to liquidity events. We analyze 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 Group 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 utilization 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 Group 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 contingency funding plan which incorporate early warning indicators to monitor market conditions. The Bank monitors its liquidity position and funding strategies on an ongoing basis, but recognizes 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, the Group Treasury prepares a liquidity worksheet 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 materialize, 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.

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:

- recognized 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 and 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.

The Group's operational risk framework

The Group'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 Group recognises the fact that 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 Group 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 Operational Risk function is to establish, implement and maintain the operational risk framework for the modelling and managing of the Group's operational risk, while reinforcing and enabling operational risk management culture throughout the Group. 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 Group'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 Group's operational risk measurement and management capabilities.

Management and control responsibilities

The first line of governance for managing operational risk rests with 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 are 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. The Group operational risk profile is presented to the Board quarterly. Control effectiveness is monitored at the ERMC and at the Board; and the multi-layered system of defences ensures pro-active operational risk management.

Measuring and managing operational risk

The Group recognises the significance of operational risk and is committed to enhancing the measurement and management thereof. Within the Group'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 Group-wide 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.

Risk and control self-assessments (RCSA)

In order to pro-actively identify and actively mitigate risks, the operational risk framework utilises RCSAs. RCSA is 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 risk indicators (KRIs)

A comprehensive set of KRIs are in place across the Group, with relevant and agreed thresholds set by the business. KRIs 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.

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, RCSA and KRI results, and operational risk events. Risk reports are presented to executive management and risk committees.

Allocating Capital to Business Units

An allocation methodology is applied for allocating capital to business units. For each business units, the allocation takes into consideration not only the size of the business unit, but also measures the business unit's control environment, namely open audit findings, RCSA results, and loss experience. 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 capital.

Expected loss (EL) budgeting mitigation

Basel II, under the AMA for operational risk makes provision for mitigation of Operational risk charge due to appropriate budgeting and managing for EL. A significant portion of the Group business already budgets for expected losses and while the Group has developed a methodology for the modelling of EL budgeting, the Group 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 Group 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 Group are:

- comprehensive crime and electronic crime;
- directors' and officers' liability; and
- professional indemnity.

In terms of the AMA, the Group 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 Group has developed a methodology for the modelling of insurance, the Group 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 Bank mitigates business continuity risks by reviewing and testing recovery procedures. In 2014, the Bank obtained ISO certification in Business Continuity Regular bank wide awareness campaigns are also used to drive information security and business continuity culture in the bank.

Compliance Risk Management

Compliance risk is the risk of impairment to the organization's business model, reputation and financial condition from failure to comply with laws, regulations and internal standards and policies, and expectations of key stakeholders such as regulators, customers, employees and society as a whole. It is the risk that the procedures implemented by the Bank to ensure compliance to relevant statutory, regulatory and supervisory requirements, are not adhered to and/or are inefficient and ineffective. Compliance risk consists of two elements; namely a regulatory and a reputational element.

Regulatory risk is the risk that financial institutions do not comply with applicable laws and regulations or supervisory requirements as defined by the regulatory body while Reputational risk is the risk that the Bank might be exposed to negative publicity due to the contravention of applicable statutory, regulatory and supervisory requirements by the Group as well as staff members during the conduct of business. Compliance Risk can expose financial institutions to fines, civil/criminal penalties, and payment of damages, court orders and suspension or revocation of licenses. A failure (or perceived failure) can adversely impact customers, staff and shareholders of the 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 of Leadership, Excellence and Professionalism.

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.

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.
The Conduct & Compliance Function has been created to ensure protection of stakeholders not only from regulatory infractions but also a good business practice perspective. The bank recognises its accountability to all its stakeholders under the legal and regulatory requirements applicable to its business. Conduct & Compliance function, including all staff of Access Bank Plc and its subsidiaries are committed to high standards of integrity and fair dealing in the conduct of business. The bank's compliance risk management philosophy is deepened in the effective convergence risk management through the '**Three Lines of Defence'** model.

The strategy of the Conduct and Compliance group is to align the bank's processes with best practice; promote ***'Positive Culture'***; and closely provide regular advisory services to business units in order to achieve the business objectives of the bank without exposing the bank or any of its stakeholders to any regulatory or reputational risks.

We approach Compliance Risk Management on an enterprise and line of business level. The Conduct & Compliance 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 organization.

We established Compliance Resource Officers Meeting to develop, manage and integrate a compliance culture that meets global standards within the organization. Through education and communication efforts, a culture of compliance is emphasized across the organization.

The Compliance Resource 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

Strategic Risk Management

In Access Bank, we define Strategic Risk as the process for identifying, assessing and managing risks and uncertainties, affected by internal and external events or scenarios that could inhibit the bank's ability to achieve its strategy and strategic objectives with the ultimate goal of creating and protecting shareholder and stakeholder value. It is a primary component and necessary foundation of our Enterprise Risk Management.

Strategic risk management, therefore, is defined as current or prospective risk to earnings and capital arising from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. It can also be defined as the risk associated with future business plans and strategies, including plans for entering new business lines, expanding existing services through mergers and acquisitions, and enhancing infrastructure.

A well-defined structure for managing strategic risk exists in Access Bank. It provides a process for the Bank to identify and assess potential risks posed by its strategic plan, and consider whether they have adequate capacity to withstand the risks. Strategic risk management involves various organizational functions within the Bank. The following principles govern the Bank's strategic risk management:

The Board and Senior management are responsible for Strategic risk management and oversees the effective functioning of the strategic risk management framework; The functional units (i.e. the units which carry out business or operational functions) assists the Board and Senior management in formulating an implementing strategies, and in providing input to the strategic planning and management processes; and as well as implementing the strategic risk management framework.

The strategic risk management functions support the Board and senior management in managing strategic risk and other related processes in the Bank.

Access Bank, in compliance with the Basel II principles, uses Internal Capital Adequacy Assessment Process in assessing its Strategic Risk. To this end, it sees Strategic Risk as material risk that could result when the bank fails to meet its performance targets, sufficient cashflow to maintain its operations that may result in a negative impact on the bank's operating result and financial condition.

This strategic risk could stem from adverse global economy, regulatory actions, improper analysis that can impact the implementation of decisions, lack of responsiveness to industry changes, inability to respond promptly to business opportunities, ineffective change management and communication process as well as the nature and activities of competitors.

Based on the foregoing, the bank estimates a capital charge figure in relationship to its actual gross earnings to cover its strategic risk exposure, in line with its tolerance level.

The measures and controls it has put in place include the followings:

Strategic plans are approved and monitored by the board. Regular environmental scan, business strategy sessions and workshops are set up to discuss business decisions, close monitoring to ensure that strategic plans are properly aligned with the business model, regular performance review by EXCO, business plans are approved by the board. The bank also maintains a well defined succession plan, proper monitoring and well defined structures to align its activities to international best practices.

Reputational Risk Management

Reputational risk arises when the bank's reputation is damaged by one or more reputational events from negative publicity about the organization's business practices, conduct or financial condition. The Bank's Strategic and Reputational Risk Management is mandated to protect the Bank from potential threats to its reputation. The team continuously uses proactive means in minimizing the effects of reputational events, thereby averting the likelihood of major reputational crises with the view of ultimately ensuring the survival of the organization. The Bank has put in place a framework to properly articulate, analyze and manage reputational risk factors.

Access Bank takes the management of reputational risks seriously because of their far-reaching implications which are buttressed by the fact that the Bank operates under:

- A highly regulated financial services industry with high visibility and vulnerability to regulatory actions that may adversely impact its reputation. (e.g. corporate governance crises);
- 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:

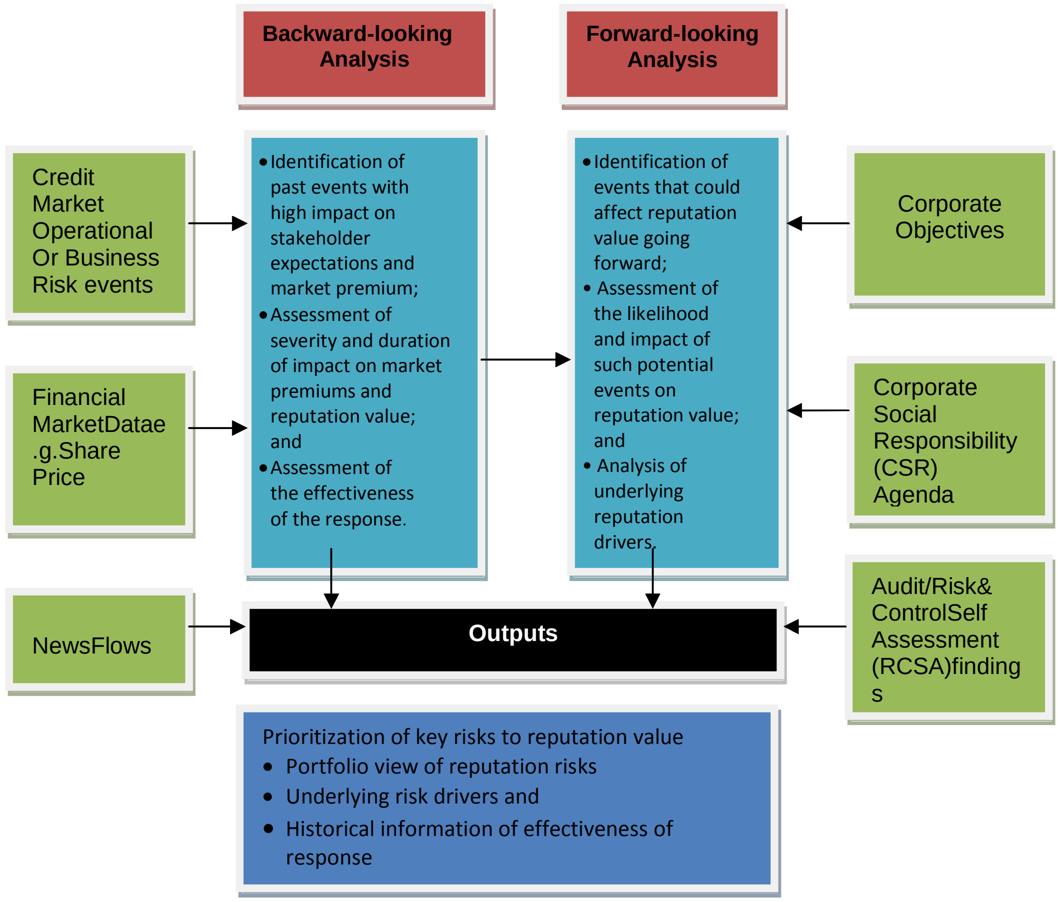
- Loss of current or future customers;
- Loss of public confidence;
- Loss of employees leading to an increase in hiring costs, or staff downtime;
- Reduction in current or future business partners;
- Increased costs of capitalization via credit or equity markets;
- Regulatory sanctions;
- Increased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

It is Group policy that, at all times, the protection of the Group'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.

The desired risk appetite for reputation is low risk (1). The bank will ensure that highest ethical standards are followed at all times and the code of conduct policy will be strictly implemented.

During the year under review, the leadership of Strategic and Reputational Risk Management Unit was strengthened with the recruitment of a senior management staff to fully drive the implementation of the policies and strategies of the Bank with regards to its strategic and reputational risks.

Key Drivers of Reputational Risk



In identifying reputational risk factors, the Bank makes use of the output of a risk identification process. At the end of the risk identification sessions, risk profiles are derived and analyzed and risk events identified with possible negative reputational Impact on the Bank.

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 in mitigating reputational risk issues

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. 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 behaviors 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 analysis is 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 analyzed for ensuing corrective action. Example of events data analyzed 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.

Post reputation 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:

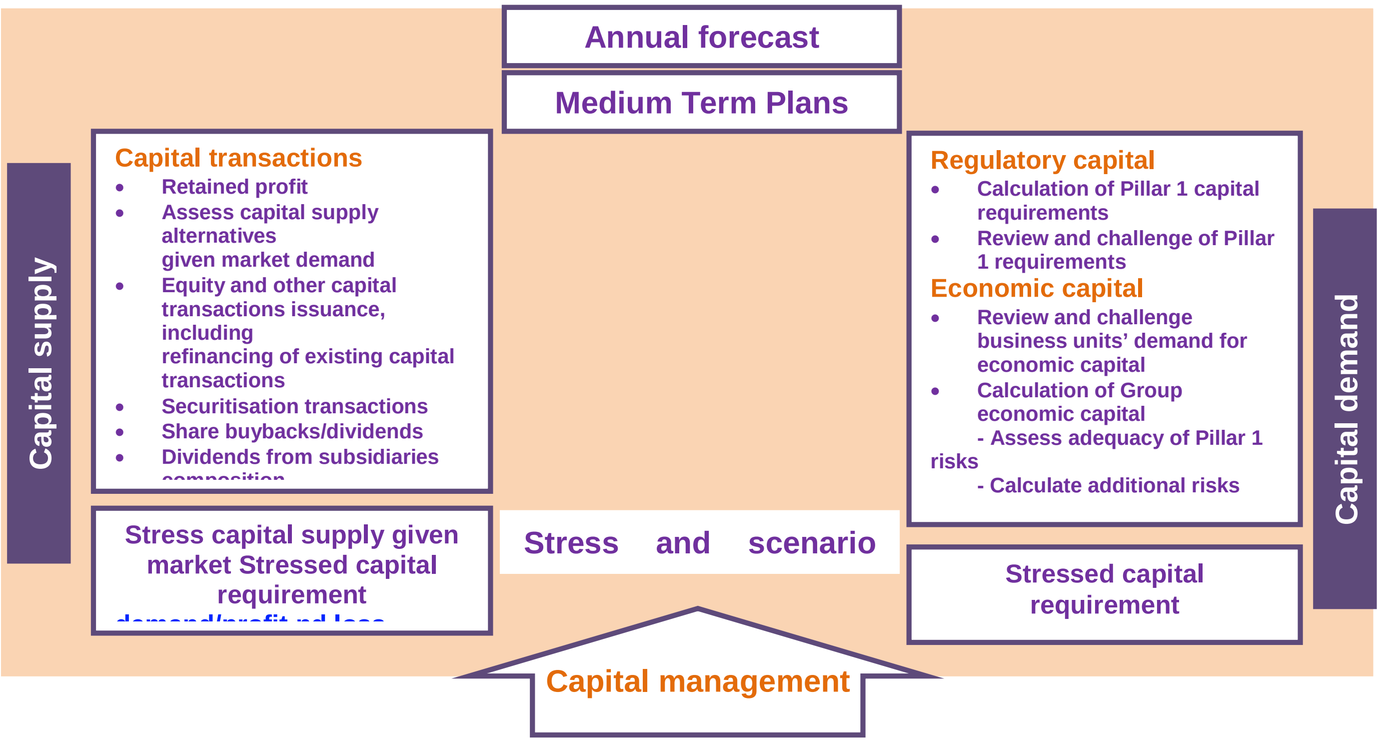
The Group has a number of capital management objectives:

- to meet the capital ratios required by its regulators and the Group's Board;
- 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 Group's capital management strategy is focused on maximizing shareholder value by optimizing the level and mix of capital resources. Decisions on the allocation of capital resources are based on a number of factors including return on economic capital (EC) and on regulatory capital (RC), and are part of the internal capital adequacy assessment process (ICAAP).

Capital management process



Importance of capital management

Capital is managed as a Board level priority in the Group which reflects the importance of capital planning. The Board is responsible for assessing and approving the Group'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 above diagram illustrates the process the Group follows to ensure end-to-end integration of the Group'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, which in turn translates into management performance assessment and product pricing requirements and achievement of the overall strategy within risk appetite.

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REPORT OF THE INDEPENDENT AUDITOR 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 subsidiaries (together, "the group"). These financial statements comprise the statement of financial position as at 31 December 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act 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 independent opinion on the 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 our audit to obtain reasonable assurance that 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 judgement, 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 opinion.

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Opinion

In our opinion the accompanying consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the bank and group at 31 December 2014 and of the financial performance and cash flows of the group for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria Act.

Report on other legal requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the bank's statement of financial position and statement of comprehensive income are in agreement with the books of account;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 46 to the financial statements

v) except for contraventions disclosed in Note 43 to the financial statements, the bank has complied with the requirements of the relevant circulars issued by the Central Bank of Nigeria.

Anthony Oputa

For: PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria

05 March 2015

Engagement Partner: Anthony Oputa
FRC/2013/ICAN/00000000980

Statement of comprehensive income

In thousands of Naira	*Notes*	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Continuing operations					
Interest income	8	176,918,223	145,961,028	159,578,184	127,710,965
Interest expense	8	(76,901,080)	(68,237,387)	(70,911,063)	(61,025,846)
Net interest income		100,017,143	77,723,641	88,667,121	66,685,119
(Impairment charge)/Writeback on financial assets	9a	(11,652,271)	6,163,544	(10,609,300)	7,508,216
Net interest income after impairment charges		88,364,872	83,887,185	78,057,821	74,193,335
Fee and commission income	10	30,796,798	31,653,170	23,044,946	26,395,198
Fee and commission expense		(36,763)	(105,638)	-	-
Net fee and commission income		30,760,035	31,547,532	23,044,946	26,395,198
Net gains on investment securities	11a,b	23,406,363	1,875,283	23,287,274	1,760,388
Net foreign exchange income/(loss)	12	563,922	7,537,545	(3,398,120)	5,735,812
Other operating income	13	12,782,263	15,013,907	12,532,067	13,778,327
Fair value gain on investment property	27	-	4,850,286	-	4,850,286
Fair value gain on asset held for sale	33	750,000	-	750,000	-
Net impairment on investment in subsidiaries	9b	-	-	-	(823,182)
Personnel expenses	14	(31,293,540)	(31,081,954)	(25,611,051)	(25,937,818)
Operating lease expenses		(1,541,417)	(1,451,667)	(1,344,883)	(1,273,023)
Depreciation	30	(7,922,841)	(7,486,600)	(7,118,931)	(6,702,482)
Amortization	31	(1,315,332)	(1,227,944)	(1,218,710)	(1,077,725)
Other operating expenses	15	(62,532,035)	(59,932,982)	(55,256,289)	(56,566,768)
Profit/(loss) on disposal of associate and subsidiaries	16b,d	-	-	2,418,298	(504,323)
Loss on settlement of non-cash distribution to shareholders	16c	-	-	-	(2,462,629)
Profit before tax		52,022,290	43,530,591	46,142,422	31,365,396
Income tax	17	(8,958,811)	(7,498,759)	(6,201,296)	(5,153,552)
Profit from continuing operations		43,063,479	36,031,832	39,941,126	26,211,844
Discontinued operations					
Profit/(loss) from discontinued operations	16b,d	(87,267)	265,760	-	-
Profit for the year		**42,976,212**	**36,297,592**	**39,941,126**	**26,211,844**
Other comprehensive income (OCI) for the year:					
Items that will not be subsequently reclassified to the income statement:					
Remeasurements of post-employment benefit obligations		(991,475)	(1,560,220)	(991,475)	(1,560,220)
Items that may be subsequently reclassified to the income statement:					
Foreign currency translation differences for foreign subsidiaries					
- Unrealised gains/(losses)		1,409,686	(7,248,271)	-	-
- Realised gains arising		97,187	979,824	-	-
Net changes in fair value of AFS financial instruments					
-Fair value changes arising		3,604,150	6,189,893	3,571,278	6,394,443
Fair value changes on AFS financial instruments from associates	28	21,492	(17,215)	-	-
Other comprehensive gain/(loss), net of related tax effects:		4,141,040	(1,655,989)	2,579,803	4,834,223
Total comprehensive income for the year		**47,117,252**	**34,641,603**	**42,520,929**	**31,046,067**
Profit attributable to:					
Owners of the bank		42,415,329	36,101,830	39,941,126	26,211,844
Non-controlling interest		560,883	195,762	-	-
Profit for the year		**42,976,212**	**36,297,592**	**39,941,126**	**26,211,844**
Total comprehensive income attributable to:					
Owners of the bank		46,152,431	34,445,841	42,520,929	31,046,067
Non-controlling interest		964,821	195,762	-	-
Total comprehensive income for the year		**47,117,252**	**34,641,603**	**42,520,929**	**31,046,067**
Total comprehensive income for the year attributable to parent:					
Continuing operations		46,239,698	34,180,081	42,520,929	31,046,067
Discontinued operations		(87,267)	265,760	-	-
		46,152,431	**34,445,841**	**42,520,929**	**31,046,067**
Earnings per share (adjusted)					
Basic/Diluted (kobo)	18	189	159	174	114
Continuing operations					
Basic (kobo)	18	189	158	174	114
Discontinuing operations					
Basic (kobo)	18	-	1	-	-

Statement of financial position
As at 31 December 2014

In thousands of Naira	*Notes*	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Assets					
Cash and balances with banks	19	405,014,793	439,459,541	351,174,879	395,808,747
Non pledged trading assets	20	28,411,644	3,877,969	28,411,644	3,877,969
Derivative financial assets	21	24,866,681	102,123	24,831,145	72,675
Loans and advances to banks	22	12,435,659	24,579,875	55,776,837	13,048,651
Loans and advances to customers	23	1,110,464,442	786,169,702	1,019,908,848	735,300,741
Pledged assets	24	87,072,147	63,409,851	85,183,353	63,347,823
Investment securities	25	270,211,388	353,811,348	226,137,983	309,071,802
Other assets	26	56,310,620	52,019,723	48,246,307	44,326,360
Investment properties	27	-	23,974,789	-	23,974,789
Investments in associate	28	-	3,623,326	-	1,521,812
Investment in subsidiaries	29	-	-	40,120,572	38,029,992
Property and equipment	30	69,659,706	67,243,305	64,160,327	63,203,245
Intangible assets	31	5,592,991	3,659,072	4,436,814	2,661,553
Deferred tax assets	32	10,881,984	10,687,635	10,128,537	9,847,853
		2,080,922,055	1,832,618,260	1,958,517,246	1,704,094,012
Assets classified as held for sale	33	23,438,484	2,847,740	23,438,484	-
Total assets		**2,104,360,539**	**1,835,466,000**	**1,981,955,730**	**1,704,094,012**
Liabilities					
Deposits from financial institutions	34	119,045,423	72,147,956	134,509,662	61,295,352
Deposits from customers	35	1,454,419,052	1,331,418,659	1,324,800,611	1,217,176,792
Derivative financial liabilities	21	1,989,662	32,955	1,737,791	-
Current tax liabilities	17	8,180,969	6,899,558	7,113,226	6,075,590
Other liabilities	36	21,689,079	56,847,216	16,870,132	52,092,559
Deferred tax liabilities	32	59,038	37,861	-	-
Debt securities issued	37	138,481,179	55,828,248	73,155,391	-
Interest-bearing borrowings	38	79,816,309	64,338,982	146,345,767	120,342,026
Retirement benefit obligations	39	3,269,100	1,933,021	3,267,364	1,929,695
		1,826,949,811	1,589,484,456	1,707,799,944	1,458,912,014
Liabilities classified as held for sale	33	-	1,499,495	-	-
Total liabilities		**1,826,949,811**	**1,590,983,951**	**1,707,799,944**	**1,458,912,014**
Equity					
Share capital and share premium	40	172,477,671	172,477,671	172,477,671	172,477,671
Retained earnings		34,139,453	22,232,374	36,499,779	23,095,393
Other components of equity		67,262,761	48,003,894	65,178,336	49,608,934
Total equity attributable to owners of the Bank		**273,879,885**	**242,713,939**	**274,155,786**	**245,181,998**
Non controlling interest	40	3,530,843	1,768,110	-	-
Total equity		**277,410,728**	**244,482,049**	**274,155,786**	**245,181,998**
Total liabilities and equity		**2,104,360,539**	**1,835,466,000**	**1,981,955,730**	**1,704,094,012**

Signed on behalf of the Board of Directors on 29 January 2015 by:

Group Managing Director
Herbert Wigwe
FRC/2013/ICAN/00000001998

Executive Director
Victor Etuokwu
FRC/2014/CIBN/00000006249

Additionally certified by:

Chief Financial Officer
Oluseyi Kumapayi
FRC/2013/ICAN/00000000911

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank													
	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Treasury Shares	Capital Reserve	Fair value reserve	Contingency reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2014	**11,441,460**	**161,036,211**	**13,074,748**	**30,365,409**	**112,783**	**(460,580)**	**3,489,080**	**6,237,939**	**-**	**(4,815,485)**	**22,232,374**	**242,713,939**	**1,768,110**	**244,482,049**
Total comprehensive income for the period:														
Profit for the period											42,415,329	42,415,329	560,883	42,976,212
Other comprehensive income, net of tax														
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	1,007,650	-	1,007,650	402,036	1,409,686
Realised foreign currency translation difference										97,187	-	97,187	-	97,187
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	-	-	(991,475)	(991,475)	-	(991,475)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	3,602,248	-	-	-	3,602,248	1,902	3,604,150
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-	-	21,492	-	-	-	21,492	-	21,492
Cancelled fair value reserve from associates	-	-	-	-	-	-	-	19,723	-	-	(19,723)	-	-	-
Total other comprehensive (loss)/income	**-**	**-**	**-**	**-**		**-**	**-**	**3,643,463**	**-**	**1,104,837**	**(1,011,198)**	3,737,102	403,938	**4,141,040**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3,643,463**	**-**	**1,104,837**	**41,404,131**	46,152,431	964,821	**47,117,252**
Transactions with equity holders, recorded directly in equity:														
Transfers during the period	-	-	8,130,283	6,740,957	-	-	-	-	-	-	(14,871,240)	-		-
Scheme shares	-	-	-	-	182,636	(515,547)	-	-	-	-	-	(332,911)		(332,911)
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(945,792)	(945,792)	945,792	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(103,735)	(103,735)
Transfer from disposed subsidiaries	-	-	-	(27,762)	-	-	-	-	-	-	27,762	-	-	-
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(13,707,782)	(13,707,782)	(44,145)	(13,751,927)
Total contributions by and distributions to equity holders	**-**	**-**	**8,130,283**	**6,713,195**	**182,636**	**(515,547)**	**-**	**-**	**-**	**-**	**(29,497,052)**	**(14,986,485)**	**797,912**	**(14,188,573)**
Balance at 31 December 2014	**11,441,460**	**161,036,211**	**21,205,031**	**37,078,604**	**295,419**	**(976,127)**	**3,489,080**	**9,881,402**	**-**	**(3,710,648)**	**34,139,453**	**273,879,885**	**3,530,843**	**277,410,728**

Consolidated statement of changes in equity

In thousands of Naira

Group	Attributable to owners of the Bank													
	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Treasury Shares	Capital Reserve	Fair value reserve	Contingency reserve	Foreign currency translation reserve	Retained earnings	Total	Non Controlling interest	Total Equity
Balance at 1 January 2013	**11,441,460**	**165,186,795**	**6,961,919**	**26,080,715**	**-**	**-**	**3,489,080**	**65,261**	**650,437**	**1,452,962**	**17,856,630**	**233,185,259**	**8,099,594**	**241,284,853**
Total comprehensive income for the year:														
Profit for the year											36,101,830	**36,101,830**	195,762	36,297,592
Other comprehensive income, net of tax														
Unrealised foreign currency translation difference	-	-	-	-	-	-	-	-	-	(7,248,271)	-	**(7,248,271)**	-	(7,248,271)
Realised foreign currency translation difference										979,824	-	**979,824**	-	979,824
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	-		(1,560,220)	**(1,560,220)**	-	(1,560,220)
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	-	6,189,893	-	-	-	**6,189,893**	-	6,189,893
Fair value changes on AFS financial instruments from associates	-	-	-	-	-	-	-	(17,215)	-	-	-	**(17,215)**	-	(17,215)
Total other comprehensive income/ (loss)	**-**	**-**	**-**	**-**		**-**	**-**	**6,172,678**	**-**	**(6,268,447)**	**(1,560,220)**	**(1,655,989)**	**-**	**(1,655,989)**
Total comprehensive income/ (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,172,678**	**-**	**(6,268,447)**	**34,541,610**	**34,445,841**	**195,762**	**34,641,603**
Transactions with equity holders, recorded directly in equity:														
Non-cash diistribution to shareholders	-	(4,150,584)	-	-	-	-	-	-	-	-	-	**(4,150,584)**	-	(4,150,584)
Transfers during the year	-	-	6,112,829	4,284,694	-	-	-	-	-	-	(10,397,523)	**-**	-	-
Scheme shares	-	-	-	-	112,783	(460,580)	-	-	-	-	-	**(347,797)**	-	(347,797)
Deemed disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	(968,300)	**(968,300)**	968,300	-
Transfer from disposed subsidiaries	-	-	-	-	-	-	-	-	(650,437)	-	650,437	**-**	(7,495,546)	(7,495,546)
Dividend paid to equity holders	-	-	-	-	-	-	-	-	-	-	(19,450,480)	**(19,450,480)**	-	(19,450,480)
Total contributions by and distributions to equity holders	**-**	**(4,150,584)**	**6,112,829**	**4,284,694**	**112,783**	**(460,580)**	**-**	**-**	**(650,437)**	**-**	**(30,165,866)**	**(24,917,161)**	**(6,527,246)**	**(31,444,407)**
Balance at 31 December 2013	**11,441,460**	**161,036,211**	**13,074,748**	**30,365,409**	**112,783**	**(460,580)**	**3,489,080**	**6,237,939**	**-**	**(4,815,485)**	**22,232,374**	**242,713,939**	**1,768,110**	**244,482,049**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Merger Reserve	Retained earnings	Total Equity
Balance at 1 January 2014	**11,441,460**	**161,036,211**	**11,177,662**	**28,567,268**	**112,783**	**3,489,081**	**6,262,140**	**-**	**23,095,393**	**245,181,998**
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	-	-	39,941,126	**39,941,126**
Other comprehensive income, net of tax										
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	(991,475)	**(991,475)**
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	3,571,278	-	-	**3,571,278**
Total other comprehensive (loss)	**-**	**-**	**-**	**-**	**-**	**-**	**3,571,278**	**-**	**(991,475)**	**2,579,803**
Total comprehensive (loss)/income	**-**	**-**	**-**	**-**	**-**	**-**	**3,571,278**	**-**	**38,949,651**	**42,520,929**
Transactions with equity holders, recorded directly in equity:										
Transfers for the year	-	-	5,824,319	5,991,169	-	-	-	-	(11,815,488)	**-**
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(13,729,777)	**(13,729,777)**
Scheme shares	-	-	-	-	182,636	-	-	-	-	**182,636**
Total contributions by and distributions to equity holders	**-**	**-**	**5,824,319**	**5,991,169**	**182,636**	**-**	**-**	**-**	**(25,545,265)**	**(13,547,141)**
Balance at 31 December 2014	**11,441,460**	**161,036,211**	**17,001,981**	**34,558,437**	**295,419**	**3,489,081**	**9,833,418**	**-**	**36,499,779**	**274,155,786**

Statement of changes in equity
In thousands of Naira

Bank	Share capital	Share premium	Regulatory risk reserve	Other regulatory reserves	Share Scheme reserve	Capital Reserve	Fair value reserve	Merger Reserve	Retained earnings	Total Equity
Balance at 1 January 2013	**11,441,460**	**165,186,795**	**4,068,288**	**24,635,492**	**-**	**3,489,081**	**(132,303)**	**10,054,688**	**18,880,711**	**237,624,212**
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	-	-	-	26,211,844	**26,211,844**
Other comprehensive income, net of tax										
Actuarial loss on remeasurement of retirement benefit	-	-	-	-	-	-	-	-	(1,560,220)	**(1,560,220)**
Net changes in fair value of AFS financial instruments	-	-	-	-	-	-	6,394,443	-	-	**6,394,443**
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**6,394,443**	**-**	**(1,560,220)**	**4,834,223**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**6,394,443**	**-**	**24,651,624**	**31,046,067**
Transactions with equity holders, recorded directly in equity:										
Non-cash distribution to shareholders	-	(4,150,584)	-	-	-	-	-	-	-	**(4,150,584)**
Transfers for the year	-	-	7,109,374	3,931,776	-	-	-	-	(11,041,150)	**-**
Transfer of merger reserve to retained earnings	-	-	-	-	-	-	-	(10,054,688)	10,054,688	**-**
Dividend paid to equity holders	-	-	-	-	-	-	-	-	(19,450,480)	**(19,450,480)**
Scheme shares	-	-	-	-	112,783	-	-	-	-	**112,783**
Total contributions by and distributions to equity holders	**-**	**(4,150,584)**	**7,109,374**	**3,931,776**	**112,783**	**-**	**-**	**(10,054,688)**	**(20,436,942)**	**(23,488,281)**
Balance at 31 December 2013	**11,441,460**	**161,036,211**	**11,177,662**	**28,567,268**	**112,783**	**3,489,081**	**6,262,140**	**-**	**23,095,393**	**245,181,998**

Consolidated statement of cash flows

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Cash flows from operating activities				
Profit before income tax and discontinued operations	51,935,023	43,530,591	46,142,422	31,365,396
Adjustments for:				
Depreciation of property and equipment	7,922,841	7,486,600	7,118,930	6,702,482
Amortization of intangible assets	1,315,332	1,227,944	1,218,710	1,077,726
Gain on disposal of property and equipment	(905,884)	(2,134,945)	(874,372)	(2,135,015)
Gain on disposal of investment properties	(263,694)	(12,000)	(263,694)	(12,000)
Loss/(Gain) on disposal of investment securities	497,818	152,619	378,729	(565,506)
Fair value gain on investment properties	-	(4,850,286)	-	(4,850,286)
Fair value gain on assets held for sale	(750,000)	-	(750,000)	-
Impairment/(writeback) on financial assets	11,652,271	(6,163,545)	10,609,300	(6,685,033)
Additional gratuity provision	421,276	801,168	421,275	801,168
Loss on disposal of subsidiaries	486,827	732,082	104,266	2,966,951
Write back of contigent provision	-	(3,548,250)	-	(3,548,250)
Equity share-based payment expense	182,636	112,783	182,636	112,783
Property and equipment written off	7,688	460,877	7,688	-
Share of profit of equity accounted investee	(485,576)	(1,369,778)	-	-
Net interest income	(100,017,143)	(77,723,641)	(88,667,120)	(66,685,119)
Unrealised foreign exchange loss on revaluation	17,243,781	(1,948,843)	12,001,637	-
Loss/(Profit) on disposal of of investment in associate	86,018	(23,734)	(2,522,564)	(68,624)
Loss on disposal of AMCON bonds investments	-	849,362	-	849,362
Dividend income	(3,382,399)	(3,161,572)	(3,861,439)	(3,257,632)
	(14,053,185)	(45,582,568)	(18,753,596)	(43,931,597)
Changes in operating assets				
Change in non-pledged trading assets	(26,743,758)	24,509,283	(24,483,557)	401,203
Change in derivative financial instruments	(22,807,851)	(73,734)	(23,020,679)	(72,675)
Change in pledged assets	(23,662,296)	(2,459,995)	(21,835,530)	(2,397,967)
Change in restricted deposits	(79,938,705)	(64,119,022)	(78,411,893)	(64,111,310)
Change in loans and advances to banks and customers	(323,558,429)	(202,226,428)	(334,057,356)	(188,724,917)
Change in insurance receivables	-	(254,921)	-	-
Change in other assets	2,142,138	44,292,193	1,194,274	31,562,559
Changes in operating liabilities				
Change in deposits from banks	46,634,809	(24,402,736)	73,313,314	44,982,836
Change in deposits from customers	116,304,944	126,657,173	105,717,069	124,442,847
Change in claims payable	-	(118,226)	-	-
Change in liabilities on investment contracts	-	(65,591)	-	-
Change in liabilities on insurance contracts	-	1,578,125	-	-
Change in other liabilities	(35,396,285)	3,534,735	(35,171,613)	1,846,395
Payment to gratuity benefit holders	(500,000)	(3,321,200)	(500,000)	(3,321,200)
Interest paid on deposits and borrowings	(61,159,165)	(59,852,128)	(60,328,145)	(57,118,876)
Interest received on loans and advances	150,514,646	95,479,688	130,150,849	84,871,814
	(272,223,137)	(106,425,352)	(286,186,863)	(71,570,888)
Income tax paid	(7,187,506)	(10,850,841)	(5,070,241)	(8,936,331)
Net cash used in operating activities	(279,410,643)	(117,276,193)	(291,257,104)	(80,507,219)
Cash flows from investing activities				
Acquisition of investment securities	(294,682,509)	(184,591,071)	(250,387,738)	(124,550,520)
Interest received on investment securities	15,004,844	55,041,060	11,931,402	41,918,885
Dividend received	3,382,399	3,161,572	3,861,439	3,257,632
Acquisition of property and equipment	(13,595,552)	(14,768,856)	(11,311,805)	(13,596,707)
Proceeds from the sale of property and equipment	4,154,505	4,746,630	4,102,477	3,464,445
Acquisition of intangible assets	(3,358,695)	(1,555,181)	(2,993,971)	(1,399,769)
Acquisition of investment properties	-	(585,261)	-	-
Proceeds from disposal of investment properties	-	120,000	-	120,000
Proceeds from matured investment securities	195,086,682	86,241,142	179,324,629	79,777,294
Proceeds from sale of subsidiary and associates	543,340	6,762,269	543,340	6,762,269
Acquisition of subsidiaries	-	-	(2,455,500)	(6,931,299)
Proceeds from sale of investment securities	200,774,291	193,608,111	171,835,186	171,354,325
Cash lost on loss of control of subsidiaries	(956,473)	(24,974,504)	-	-
Net cash generated from investing activities	**106,352,832**	**123,205,911**	**104,449,459**	**160,176,555**
Cash flows from financing activities				
Interest paid on borrowings and debt securities issued	(12,892,950)	(4,586,103)	(8,572,781)	(4,586,103)
Proceeds from interest bearing borrowings	29,035,545	26,756,853	29,035,545	25,739,309
Repayment of interest bearing borrowings	(17,191,939)	(9,309,994)	(16,967,222)	(9,421,714)
Purchase of own shares	(515,547)	(460,580)	(515,547)	-
Dividends paid to owners	(13,751,927)	(19,450,480)	(13,729,777)	(19,450,480)
Debt securities issued	73,083,823	-	73,083,823	-
Net cash provided by/(used in) financing activities	**57,767,005**	**(7,050,304)**	**62,334,041**	**(7,718,988)**
Net (decrease)/increase in cash and cash equivalents	(115,290,806)	(1,120,586)	(124,473,604)	71,950,348
Cash and cash equivalents at end of year	152,748,398	266,756,741	100,897,056	223,567,707
Cash and cash equivalents at beginning of year	(266,756,741)	(271,573,393)	(223,567,707)	(151,617,359)
Effect of exchange rate fluctuations on cash held	(1,282,463)	3,696,066	(1,802,953)	
Net (decrease)/increase in cash and cash equivalents	(115,290,806)	(1,120,586)	(124,473,604)	71,950,348

1.0 General information

Access Bank Plc ("the Bank") is a company domiciled in Nigeria. The address of the Bank's registered office is Plot 999c, Danmole Street, off Adeola Odeku/Idejo Street, Victoria Island, Lagos (formerly Plot 1665, Oyin Jolayemi, Victoria Island, Lagos). The consolidated financial statements of the Bank for the year ended 31 December 2014 comprise the Bank and its subsidiaries (together referred to as "the Group" and separately referred to as "Group entities"). The Group is primarily involved in investment, corporate, commercial and retail banking and is listed on the Nigerian Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 29 January 2015

2.0 Statement of compliance with International Financial Reporting Standards

The consolidated and separate financial statements of the Group and Bank respectively, have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). Additional information required by national regulations is included where appropriate.

3.0 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

The consolidated financial statement comprise the consolidated statement of comprehensive income, the statement of financial position, the consolidated statements of changes in equity, the consolidated cash flow statement and the notes.

(a) Functional and presentation currency

These consolidated financial statements are presented in Naira, which is the Group's presentation currency; except where indicated, financial information presented in Naira has been rounded to the nearest thousand.

(b) Basis of measurement

These consolidated and separate financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value.
- non-derivative financial instruments at fair value through profit or loss are measured at fair value.
- available-for-sale financial assets are measured at fair value.
- investment property is measured at fair value.
- the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost
- non-current assets held for sale measured at fair value less costs to sell. Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.
- share based payment at fair value or an approximation of fair value allowed by the relevant standard.

(c) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

3.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the group

Below are the IFRSs and International Financial Reporting Interpretations Commitee (IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that are relevant to the group.

None of these standards were early adopted in the prior period by the Group as early adoption is not permitted by the Financial Reporting Council of Nigeria (FRC).

[i] Amendments to IAS 32 – Financial Instruments: Presentation (effective 1 January 2014)

The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
The amendments do not change the current offsetting model in IAS 32, which requires an entity to offset a financial asset and financial liability in the statement of financial position only when the entity currently has a legally enforceable right of set-off and intends either to settle the asset and liability on a net basis or to realize the asset and settle the liability simultaneously. The amendments clarify that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The changes requires extensive disclosures focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

[ii] Amendments to IAS 36 - Impairment of assets (effective 1 January 2014)

These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed; and to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. This Group did not reverse or recognize an impairment loss on its non-financial asset.

[iii] IFRIC 21 - Levies (effective 1 January 2014)

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. It addresses the accounting for a liability to pay a levy recognized in accordance with IAS 37, 'Provisions', and the liability to pay a levy whose timing and amount is certain. It excludes income taxes within the scope of IAS 12, 'Income taxes'. The interpretation does not address whether the liability to pay a levy gives rise to an asset or an expense. Entities will need to apply other standards to determine the accounting for the expense. The application of the new amendments is consistent with the treatment of levies in the financial statements.

[iv] Amendments to IFRS 7 on offsetting financial assets and financial liabilities (effective 1 January 2014)

Disclosures- Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7) introduces disclosures about the impact of right of offsets and related arrangements for financial instruments under a master netting or similar arrangements. The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. The amendments are applied restrospectively, the Group has offsetting arrangements in place as at 31 December 2014. The application of the amendments had no material impact on the disclosures or the amount recognised in the consolidated financial statements.

(b) New and amended standards and interpretations not yet adopted by the Group

As at 31 December 2014, a number of standards and interpretations, and amendments thereto, had been issued by the IASB which are not yet effective for these consolidated financial statements. Details are set out below.

IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2018)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

The IFRS 9 (2009) requirements represents a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories of financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables. For an investment in equity instrument which is not held for trading, the standard permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss at a later date. However, dividend on such investments are recognized in the income statement, rather than other comprehensive income unless they clearly represent a partial recovery of the cost of the investments. Investments in equity instruments in respect of which an entity does not elect to present fair value changes in other comprehensive income would be measured at fair value with changes in fair value recognized in the income statement. The group is yet to assess IFRS 9's full impact.

Other IFRS that are relevant to the group include:

IFRS	Effective Date	Subject of amendment
Amendments to IAS 19, 'Employee benefits' on defined benefit plans	Annual periods beginning on or after 1 July 2014	This amendment clarifies the application of IAS 19, 'Employee benefits' (2011) – referred to as 'IAS 19R', to plans that require employees or third parties to contribute towards the cost of benefits. The amendment does not affect the accounting for voluntary contributions.
Amendment to IFRS 2, 'Share based payment'	For share-based payment transactions for which the grant date is on or after 1 July 2014.	The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.
IFRS 3, 'Business combinations'	For business combinations where the acquisition date is on or after 1 July 2014.	The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.
IFRS 8, 'Operating segments'	Annual periods beginning on or after 1 July 2014	The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets'	Annual periods beginning on or after 1 July 2014	The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.
IAS 24, 'Related party disclosures'	Annual periods beginning on or after 1 July 2014	The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'). The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.
IFRS 13, 'Fair value measurement'	Annual periods beginning on or after 1 July 2014	The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases. The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.
IFRS 15, 'Revenue from contracts with customers'	Annual periods beginning on or after 1 January 2017	The Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 10, 'Consolidated financial statements	Annual periods beginning on or after 1 January 2013 although endorsed for annual periods on or after 1 January 2014)	This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries

3.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group exercise control. Control is achieved when the Group can demonstrate it has:

[i] power over the investee;
[ii] exposure, or rights, to variable returns from its involvement with the investee; and
[iii] the ability to use its power over the investee to affect the amount of the investor's returns

The investor shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity.

The group assesses existence of control where it does not have more than 50% of the voting power i.e when it holds less than a majority of the voting rights of an investee. An investor considers all relevant facts and circumstances in assessing whether or not it's voting rights are sufficient to give it power, including:

[i] a contractual arrangement between the investor and other vote holders
[ii] rights arising from other contractual arrangements
[iii] the investor's voting rights (including voting patterns at previous shareholders' meetings)
[iv] potential voting rights

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Subsidiaries are measured at cost less impairment in the separate financial statement.

(b) Business combinations

The Group applies IFRS 3 *Business Combinations (revised)* in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights.

The Group measures goodwill at the acquisition date as the total of:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, a bargain purchase gain is recognised immediately in statement of comprehensive income,after a re-assessment to ensure correctness.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in in the income statement.

Transactions costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services , then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

(c) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(d) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments.

(e) Disposal of subsidaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.
The gain/loss arising from disposal of subsidiaries is included in the profit/loss of discontinued operations in the statement of comprehensive income.

(f) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(g) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit/loss and other comprehensive income of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the income statement where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.
Investments in associates are measured at cost less impairment in the separate financial statement.

(h) Transactions eliminated on consolidation

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

3.4 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Executive Committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

3.5 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Naira', which is the group's presentation currency.

The Group in the normal course of business sets up Structured Entiries (SEs) for the sole purpose of raising finance in foreign jurisdictions. The SEs raises finance in the currency of their jurisdictions and passes the proceeds to the group entity that set them up. All costs and interest on the borrowing are borne by the sponsoring group entity. These SEs are deemed to be extensions of the sponsoring entity, and hence, their functional currency is the same as that of the sponsoring entity.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the income statement, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

[i] assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

[ii] income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

[iii] all resulting exchange differences are recognised in other comprehensiveincome.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.6 Operating income

(a) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within "interest income" and "interest expense" in the consolidated income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instruments but not future credit losses.

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

Interest income and expense presented in the statement of comprehensive income include:
- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis.
- interest on available-for-sale investment securities calculated on an effective interest basis

(b) Fees and commission

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

Other fees and commission income, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

(c) Net gains/losses on financial instuments classified held for trading

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

(d) Foreign exchange income

Foreign exchange income includes foreign exchange gains on revaluation and unrealised foreign exchange gains on revaluation.

(e) Dividends

Dividend income is recognised when the right to receive payment is established. Dividends are reflected as a component of other operating income.

3.7 Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.8 Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.9 Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (which include derviative financial insturments) have to be reocognised in the consolidated statement of financial position and measured in accordance with their assigned category.

The table below reconciles classification of financial instruments to the respective IAS 34/39 category.

	Category (as defined by IAS 39)		**Class (as determined by the Group)**	**Sub classes**
Financial assets	Financial assets at fair value through profit or loss		Non pledged trading assets	Equity securities
				Derivative financial assets
				Debt securities
	Loans and receivables		Cash and balances with banks	Cash on hand and balances with banks
				Unrestricted balances with central banks
				Restricted balances with central banks
				Money market placements and other cash equivalents
			Loans and advances to banks	Loans and advances to banks
			Loans and advances to customers	Loans to individuals
				Loans to corporate entities and other organisations
			Other assets	Receivables
	Held to maturity		Investment securities - debt securities	Listed
	Available for sale financial assets		Investment securities - debt securities	Listed
				Unlisted
			Investment securities - equity securities	Listed
				Unlisted
	Category (as defined by IAS 39)		**Class (as determined by the Group)**	**Sub classes**
Financial liabilities	Financial liabilities at fair value through		Derivatives	
	Financial liabilities at amortised cost		Deposits from banks	
			Deposits from customers	Demand deposits
				Savings deposits
				Term deposits
			Interest bearing borrowings	
			Debt securities issued	
			Other liabilities	

The purchases and sales of financial assets are accounted for in the Group's books at settlement date.

(a) Financial assets

The Group allocates financial assets to the following IAS 39 categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its financial instruments at initial recognition.

[i] Financial assets at fair value through profit or loss

This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated by the Group as at fair value through profit or loss upon initial recognition.

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, as well as financial assets with embedded derivatives. They are recognised in the consolidated statement of financial position as 'non-pledged trading assets '.

Financial instruments included in this category are recognised initially at fair value; transaction costs are taken directly to the consolidated income statement. Gains and losses arising from changes in fair value are included directly in the consolidated income statement and are reported as Net gains on financial instruments classified as held for trading. Interest income and expense and dividend income and expenses on financial assets held for trading are included in 'Net interest income' or 'Dividend income', respectively. The instruments are derecognised when the rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognising.

The Group designates certain financial assets upon initial recognition as at fair value through profit or loss (fair value option). This designation cannot subsequently be changed. According to IAS 39, the fair value option is only applied when the following conditions are met:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

[ii] Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

Finance lease receivables are reported within loans and receivables where the Group is the lessor in a lease agreement. Such lease agreement transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee. The loans and receivables equal to the net investment in the lease is recognised and presented within loans and advances.

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

Loans and receivables are initially recognised at fair value – which is the cash consideration to originate or purchase the loan including any transaction costs – and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the consolidated statement of financial position as loans and advances to banks or customers or as investment securities. Interest on loans is included in the consolidated income statement and is reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the consolidated income statement under "net impairment loss on financial assets"

[iii] Held-to-maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss, loans and receivables or available-for-sale.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for- sale, and prevent the Group from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Interest on held-to-maturity investments is included in the consolidated income statement and reported as 'Interest income'. In the case of an impairment, the impairment loss is been reported as a deduction from the carrying value of the investment and recognised in the consolidated income statement as 'net impairment loss on financial assets'. Held-to-maturity investments include treasury bills and bonds.

[iv] Available-for-sale

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost and subjected to impairment. All other available-for-sale investments are carried at fair value.

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the income statement when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in the income statement

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired whereupon the cumulative gains and loses previously recognised in other comprehensive income are recognised to the income statement as a reclassification adjustment.

A non-derivative financial asset may be reclassified from the available-for-sale category to the loans and receivable category if it otherwise would have met the definition of loans and receivables and if the Group has the intention and ability to hold that financial asset for the foreseeable future or until maturity.

Availabe for sale instruments include investment seccurities.

(b) Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or fair value through profit or loss.

[i] Financial liabilities at amortised cost

Financial liabilities that are not classified as at fair value through profit or loss are measured at amortised cost using the effective interest method. Interest expense is included in 'Interest expense' in the Statement of comprehensive income.

Deposits and debt securities issued are the Group's sources of debt funding. When the Group sells a financial asset and simultaneously enters into a "repo" or "stock lending" agreement to repurchase the asset (or a similar asset) at a fixed price on a future date, the arrangement is accounted for as a deposit, and the underlying asset continues to be recognised in the Group's financial statements as pledged assets.

The Group classifies debt instruments as financial liabilities or equity in accordance with the contractual terms of the instrument.

Deposits and debt securities issued are initially measured at fair value minus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

On this statement of financial position, other financial liabilities carried at amortised cost include deposit from banks, deposit from customers, interest bearing borrowings, debt securities issued and other liabilities

[ii] Financial liabilities at fair value

The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in Note 21 to the financial statements.
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives are presented as financial assets or financial liabilities.
Derivative assets and liabilities are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle on a net basis.

(c) De-recognition

[i] Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement.

The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

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

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

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

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the asset is considered to be past due and disclosed only if renegotiated again.

[ii] Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(d) Offsetting
Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group’s trading activity. See note 5.1.5

(e) Sale and repurchase agreements

Securities sold subject to repurchase agreements (‘repos’) remain on the statement of financial position; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (reverse repos’) are recorded as money market placement. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities lent to counterparties are also retained in the financial statements. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income.

(f) Measurement

[i] Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

[ii] Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily available and represent actual and regularly occurring market transactions on an arm’s length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation techniques. Valuation techniques include using recent arm’s length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, and discounted cash flow analysis. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in the income statement on initial recognition of the instrument. In other cases the difference is not recognised in the income statement immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.
Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price. Where the Group has positions with offsetting risks, mid-market prices are used to measure the offsetting risk positions and a bid or asking price adjustment is applied only to the net open position as appropriate. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes a third-party market participant would take them into account in pricing a transaction.

(g) Identification and measurement of impairment

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

[i] Loans and receivables

The Group considers evidence of impairment for loans and advances and held-to-maturity investments at both a specific and collective level. All individually significant loans and advances and held-to maturity investment securities are assessed for specific impairment. All individually significant loans and advances and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities (held at amortised cost) with similar characteristics.

In assessing collective impairment the Group uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

[ii] Available for sale securities

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income to the income statement as a reclassification adjustment.

For debt securities, the group uses the criteria referred to in (i) above to assess impairment.If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. For equity, a prolonged decline in the fair value of the security below its cost is also evidence that the asset is impaired. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through the income statement; otherwise, any increase in fair value is recognised through OCI. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is always recognised in OCI.

The Group writes off previously impaired loans and advances (and investment securities) when they are determined not to be recoverable. The Group writes off loans or investment debt securities that are impaired (either partially or in full and any related allowance for impairment losses) when the Group credit team determines that there is no realistic prospect of recovery.

(h) Cash and balances with banks

Cash and balances with banks include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, unrestricted balances with foreign and central banks, money market placements and other short-term highly liquid investments with original maturities of three months or less.

(i) Repossessed collateral

Repossessed collateral are equities, investment properties or other investments repossesed from a customer and used to settle his outstanding obligation. Such investments are classified in accordance with the intention of the Group in the asset class which they belong and are also seperately disclosed in the financial statement.

(j) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets (for example, for exchange-traded options), including recent market transactions, and valuation techniques (for example for swaps and currency transactions), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group mitigates the credit risk of derivatives by holding collateral in the form of cash.

(k) Reclassification of financial assets

The Bank may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Bank may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Bank has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

(l) Pledged assets

Financial assets transferred to external parties that do not qualify for de-recognition are reclassified in the statement of financial position from financial assets held for trading or investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms.

Initial recognition of assets pledged as collateral is at fair value, whilst subsequent measurement is based on the classification of the financial asset. Assets pledged as collateral are either designated as held for trading, available for sale or held to maturity. Where the assets pledged as collateral are designated as held for trading, subsequent measurement is at fair value through profit and loss, whilst assets pledged as collateral designated as available for sale are measured at fair-value through equity. Assets pledged as collateral designated as held to maturity are measured at amortized cost.

3.10 Investment properties

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 is measured initially at cost including transaction cost and subsequently carried in the statement of financial position at their market value and revalued yearly on a systematic basis. Investment properties are not subject to periodic charge for depreciation. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the period which it arises as: "Fair value gain on investment property"

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement inside operating income.

When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.11 Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When significant parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in the Income statement

(b) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The costs of the day-to-day repairs and maintenance of property and equipment are recognised in Income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of items of property and equipment, to their residual values over the estimated useful lives. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative periods of significant items of property and equipment are as follows:

Leasehold Land and Building	Over the shorter of the useful life of the item or lease term
Leasehold improvements	Over the shorter of the useful life of the item or lease term
Buildings	50 - 60 years
Computer hardware	3 - 4.5 years
Furniture and fittings	3 - 6 years
Motor vehicles	4 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. Assets are veviewed for impairment whenever events or changed in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Capital work in progress is not depreciated. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(d) De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

3.12 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 8.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of software is between three and five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.13 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance leases and operating leases.

A group company is the lessee
(a) Operating lease
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to operating expenses in the income statement on a straight-line basis over the period of the lease and used as investment property.

(b) Finance lease
Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in deposits from banks or deposits from customers depending on the counter party. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The investment properties acquired under finance leases are measured subsequently at their fair value.

A group company is the lessor
When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

3.14 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than goodwill and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of goodwill is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash-generating unit" or CGU). Subject to an operating segment ceiling test, for the purposes of goodwil impairment testing, CGUs to which goodwill has been allcated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.15 Discontinued operations

The Group presents discontinued operations in a separate line in the consolidated income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and:
(a) Represents a separate major line of business or geographical area of operations;
(b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) Is a subsidiary acquired exclusively with a view to resale (for example, certain private equity investments).

Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group´s operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the consolidated income statement.

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale or distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.16 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Investment property classified as non-current asset held for sale are measured at fair value, gain or loss arising from a change in the fair value of investment property is recognised in income statement for the period in which it arise.

3.17 Provisions

A provision is recognised if, 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expenses.

(a) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

3.18 Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

3.19 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a seperate entity and will have no legal or constructive obliagtion to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the reporting period in which the employees render the service are discounted to their present value at the reporting date.

The Bank operates a funded, defined contribution pension scheme for employees. Employees and the Bank contribute 7.5% of each of the qualifying staff salary in line with the provisions of the Pension Reforms Act 2004.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Long-term Incentive Plan

The Bank has a non-contributory, un-funded lump sum defined benefit plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions.

Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade. The Bank's net obligation in respect of the long term incentive scheme is calculated by estimating the amount of future benefits that eligible employees have earned in return for service in the current and prior periods. That benefit is discounted to determine its present value. The rate used to discount the post employment benefit obligation is determined by reference to the yield on Nigerian Government Bonds, that have maturity dates approximating the terms of the Bank's obligations.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is immidiately recognized in the income statement. The Bank recognizes all actuarial gains or losses and all expenses arising from defined benefit plan immediately in the balance sheet, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur. They are not recycled subsequently in the income statement.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(e) Share-based payment remuneration scheme

During the period, the bank commenced a new plan called Restricted Share Performance Plan (RSPP). Under the RSPP, shares of the Bank are awarded to employees based on their performance at no cost to them and the shares will have a vesting period of 3 years from date of award.

This new plan will be accounted for as an equity-settled transaction, where the Bank will recognize a cost and a corresponding increase in equity. The cost is recognized as an expense unless it qualifies for recognition as an asset. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

3.20 Share capital and reserves

(a) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(b) Dividend on the Bank's ordinary shares

Dividends on ordinary shares are recognised in equity in the period when approved by the Bank's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent events note.

(c) Treasury shares

Where the Bank or any member of the Group purchases the Bank's share capital, the consideration paid is deducted from the shareholders' equity as treasury shares until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(d) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calcuated by dividing the profit and loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted avergae number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.0 Use of estimates and judgements

These disclosures supplement the commentary on financial risk management (see note 5). Estimates where management has applied judgements are:
(i) Allowances for credit losses
(ii)Valuation of financial instruments
(iii) Determination of fair value of investment property
(iv) Determination of impairment of property and equipment, and intangible assets excluding goodwill
(v) Assessment of impairment of goodwill on acquired subsidiaries
(vi) Defined benefit plan

Key sources of estimation uncertainty

(i) *Allowances for credit losses*

Loans and advances to banks and customers are accounted for at amortised cost and are evaluated for impairment on a basis described in accounting policy 3.9

The Bank reviews its loan portfolios to assess impairment at least on a half yearly basis. In determining whether an impairment loss should be recorded in the income statement, the Bank makes judgements as to whether there is any observable data indicating an impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the Bank.

The Bank makes use of estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The specific component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently reviewed by the Credit Risk Management Department (CRMD).

A collective component of the total allowance is established for:
• Groups of homogeneous loans that are not considered individually significant and
• Groups of assets that are individually significant but were not found to be individually impaired

Collective allowance for groups of homogeneous loans is established using statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Collective allowance for group of assets that are individually significant but that were not found to be individually impaired cover credit losses inherent in portfolios of loans and advances and held to maturity investment securities with similar credit characteristics when there is objective evidence to suggest that they contain impaired loans and advances and held to maturity investment securities, but the individual impaired items cannot yet be identified. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances are estimated.

Had there been no expected cashflows from all the significant impaired loans, there would have been an additional impairment of N11.862billion in the financial statements relating to this. In addition, if the PDs and LGDs were increased by 2%, there would have been an additional impairment charge of N233Mn and if the PDs and LGDs decreased by 2%, there would have been a write back of impairment of N228Mn.

Statement of prudential adjustments

Provisions under prudential guidelines are determined using the time based provisioning regime prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision regime, there will be variances in the impairments allowances required under the two methodologies.

Paragraph 12.4 of the revised Prudential Guidelines for Deposit Money Banks in Nigeria stipulates that Banks would be required to make provisions for loans as prescribed in the relevant IFRS Standards when IFRS is adopted. However, Banks would be required to comply with the following:

a) Provisions for loans recognised in the profit and loss account should be determined based on the requirements of IFRS. However, the IFRS provision should be compared with provisions determined under prudential guidelines and the expected impact/changes in general reserves should be treated as follows:

• Prudential Provisions is greater than IFRS provisions; the excess provision resulting should be transferred from the general reserve account to a "regulatory risk reserve".

• Prudential Provisions is less than IFRS provisions; IFRS determined provision is charged to the statement of comprehensive income. The cumulative balance in the regulatory risk reserve is thereafter reversed to the general reserve account

b) The non-distributable reserve should be classified under Tier 1 as part of the core capital.
The Bank has complied with the requirements of the guidelines as follows:

Statement of prudential adjustments *In thousands of Naira*		**December 2014**	**December 2013**
Bank	Note		
Loans & advances:			
Specific impairment allowances on loans to customers			
- Loans to Individuals	23(b)	-	-
- Loans to Corporate	23(b)	6,340,159	6,812,512
Specific impairment allowances on loans to banks	22	-	
Collective impairment allowances on loans to customers			
- Loans to Individuals	23(b)	674,227	483,733
- Loans to Corporates	23(b)	9,991,751	5,943,847
Collective impairment allowances on loans to banks	22	6,341	9,337
Total impairment allowances on loans per IFRS		**17,012,478**	**13,249,428**
Total regulatory impairment based on prudential gudielines		**34,014,459**	**24,427,091**
Balance, beginning of the year		11,177,662	4,068,288
Additional transfers to regulatory risk reserve		5,824,319	7,109,374
Balance, end of the year		**17,001,981**	**11,177,662**

4.1 ***Valuation of financial instruments***

The table below analyses financial non-financial instruments and measured at fair value at the end of the financial year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

4.1.1 **Recurring fair value measurements**

In thousands of Naira
Group
December 2014

	Level 1	**Level 2**	**Level 3**	**Total**
Assets				
Non pledged trading assets				
Treasury bills	24,546,032	-	-	24,546,032
Bonds	3,786,172	-	-	3,786,172
Equity	79,440	-	-	79,440
Derivative financial instrument	-	24,866,681	-	24,866,681
Pledged assets				
Treasury bills	4,495,403	-	-	4,495,403
Investment securities				
Available for sale				
Treasury bills	92,046,032	-	-	92,046,032
Bonds	46,931,249	818,129	-	47,749,378
Equity	11,017,140	34,070,282	-	45,087,422
Assets held for sale		23,438,484		23,438,484
	182,901,468	83,193,576	-	266,095,044
Liabilities				
Derivative financial instrument	-	1,989,662	-	1,989,662
	-	1,989,662	-	1,989,662

Group
December 2013
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	2,370,725	-	-	2,370,725
Bonds	1,402,326	-	-	1,402,326
Equity	104,918	-	-	104,918
Pledged assets				
Treasury bills	4,774,503	-	-	4,774,503
Derivative financial instrument	-	102,123	-	102,123
Investment securities				
Available for sale				
Treasury bills	140,780,793	-	-	140,780,793
Bonds	9,847,556	-	-	9,847,556
Equity	9,018,647	30,213,150	-	39,231,797
Investment properties	-	23,974,789	-	23,974,789
	168,299,468	54,290,062	-	222,589,530
Liabilities				
Derivative financial instrument	-	32,955	-	32,955
	-	32,955	-	32,955

Bank
December 2014
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	24,546,032	-	-	24,546,032
Bonds	3,786,172	-	-	3,786,172
Equity	79,440	-	-	79,440
Pledged assets				
Treasury bills	4,495,403	-	-	4,495,403
Derivative financial instrument	-	24,831,145	-	24,831,145
Investment securities				
Available for sale				
Treasury bills	61,656,952	-	-	61,656,952
Bonds	44,725,755	818,129	-	45,543,884
Equity	11,017,140	34,035,134	-	45,052,274
Asset held for sale		23,438,484		23,438,484
	150,306,894	83,122,892	-	233,429,786
Liabilities				
Derivative financial instrument		1,737,791		1,737,791
	-	1,737,791	-	1,737,791

Bank
December 2013
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Non pledged trading assets				
Treasury bills	2,370,725	-	-	2,370,725
Bonds	1,402,326	-	-	1,402,326
Equity	104,918	-	-	104,918
Pledged assets				
Treasury bills	4,712,475	-	-	4,712,475
Bonds	37,617,492	-	-	37,617,492
Derivative financial instrument	-	72,675	-	72,675
Investment securities				
Available for sale				
Treasury bills	119,864,079	-	-	119,864,079
Bonds	9,509,116	-	-	9,509,116
Equity	9,018,649	30,213,148	-	39,231,797
Investment properties	-	23,974,789	-	23,974,789
	184,599,780	54,260,612	-	238,860,392
Liabilities				
Derivative financial instrument	-	-	-	-
	-	-	-	-

There were no transfers between levels 1 and 2 during the year.

4.1.2 Financial instruments not measured at fair value

Group
December 2014
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	405,014,793	-	405,014,793
Loans and advances to banks	-	12,584,887	-	12,584,887
Loans and advances to customers	-	1,068,909,228	-	1,068,909,228
Pledged assets				
Treasury bills	10,543,214	-	-	10,543,214
Bonds	43,005,034	-	-	43,005,034
Investment securities				
Held to Maturity				
Treasury bills	15,826,830	7,532,437	-	23,359,267
Bonds	18,112,104	18,027,415	-	36,139,519
Other assets	-	36,030,750	-	36,030,750
	87,487,182	1,548,099,510	-	1,635,586,692
Liabilities				
Deposits from financial institutions	-	115,765,391	-	115,765,391
Deposits from customers	-	1,455,710,695	-	1,455,710,695
Other liabilities	-	21,689,079	-	21,689,079
Debt securities issued	135,517,192		-	135,517,192
Interest-bearing borrowings	-	78,369,011	-	78,369,011
	135,517,192	1,671,534,176	-	1,807,051,368

Group
Financial instruments not measured at fair value
In thousands of Naira

	Level 1	Level 2	Level 3	Total
December 2013				
Assets				
Cash and balances with banks	-	439,459,541	-	439,459,541
Loans and advances to banks	-	24,300,412	-	24,300,412
Loans and advances to customers	-	772,194,238	-	772,194,238
Investment securities				
Held to maturity				
Treasury bills	14,400,735	3,662,516	-	18,063,251
Bonds	124,990,447	5,981,246	-	130,971,693
Other assets	-	43,214,300	-	43,214,300
	139,391,182	1,288,812,253	-	1,428,203,435
Liabilities				
Deposits from financial institutions	-	72,147,955	-	72,147,955
Deposits from customers	-	1,331,418,659	-	1,331,418,659
Other liabilities	-	54,043,974	-	54,043,974
Debt securities issued	56,556,465	-	-	56,556,465
Interest-bearing borrowings	-	58,515,183	-	58,515,183
	56,556,465	1,516,125,771	-	1,572,682,236

Bank
December 2014
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	351,174,879	-	351,174,879
Loans and advances to banks	-	55,837,270	-	55,837,270
Loans and advances to customers	-	933,545,177	-	933,545,177
Pledged assets				
Treasury bills	8,660,933	-	-	8,660,933
Bonds	42,729,652	-	-	42,729,652
Investment securities				
Held to maturity				
Treasury bills	15,829,500	-	-	15,829,500
Bonds	30,667,663	18,027,415	-	48,695,078
Other Assets	-	30,513,159	-	30,513,159
	97,887,748	1,389,097,900	-	1,486,985,648
Liabilities				
Deposits from financial institutions	-	131,229,630	-	131,229,630
Deposits from customers	-	1,324,796,070	-	1,324,796,070
Other liabilities	-	15,678,189	-	15,678,189
Debt securities issued	70,949,501	-	-	70,949,501
Interest-bearing borrowings	64,567,691	78,369,011	-	142,936,702
	135,517,192	1,550,072,900	-	1,685,590,092

Bank
December 2013
In thousands of Naira

	Level 1	Level 2	Level 3	Total
Assets				
Cash and balances with banks	-	395,808,747	-	395,808,747
Loans and advances to banks	-	13,048,651	-	13,048,651
Loans and advances to customers	-	792,559,754	-	792,559,754
Pledged assets				
Bonds	37,617,492	-	-	37,617,492
Investment securities				
Held to maturity				
Bonds	124,990,451	-	-	124,990,451
Other Assets	-	36,436,496	-	36,436,496
	162,607,943	1,237,853,648	-	1,400,461,591
Liabilities				
Deposits from financial institutions	-	61,295,352	-	61,295,352
Deposits from customers	-	1,217,176,793	-	1,217,176,793
Other liabilities	-	50,881,254	-	50,881,254
Interest-bearing borrowings	55,828,248	64,338,982	-	120,167,230
	55,828,248	1,393,692,381	-	1,449,520,629

Financial instrument measured at fair value
(a) Financial instruments in level 1
The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily government bonds, corporate bonds, treasury bills and equity investments classified as trading securities or available for sale investments.

(b) Financial instruments in level 2
The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specific valuation techniques used to value financial instruments include:
(i) Quoted market prices or dealer quotes for similar instruments;
(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
(iii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in level 3
The Group uses widely recognised valuation models for determining the fair value of its financial assets. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain Investment securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates. Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

For level 2 assets, fair value was obtained using a recent market transaction during the year under review. Fair values of unquoted debt securities were derived by interpolating prices of quoted debt secuirties with similar maturity profile and characteristics. There were no transfer between levels 1 and 2 during the year.

(ii) Determination of fair value of financial instruments.

Valuation techniques used to derive Level 2 fair values
Level 2 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDAratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in a developed or emerging market. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 2 fair values.\

Description	Fair value at 31 Dec 2014	Valuation Technique	Unobservable Inputs	Fair value if inputs increased by 5%	Fair value if inputs decreased by 5%	Relationship of unobservable inputs to fair value
Investment in African Finance Corpooration	26,891,794	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	28,236,384	25,547,204	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in Unified Payment System	2,384,009	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	2,463,059	2,304,958	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in CSCS	1,847,493	Adjusted fair value comparison approach	Median of Enterprise value to EBITDA ratio (EV/EBITDA) of similar comparable companies	1,936,668	1,758,318	The higher the EV/EBITDA ratio of similar trading companies, the higher the fair value
Investment in Stanbic IBTC Pension managers	1,452,636	Adjusted fair value comparison approach	Average P/B multiples of comparable companies	1,525,268	1,380,004	The higher the P/B ratio of similar trading companies, the higher the fair value
Investment in NIBSS	1,026,992	Adjusted fair value comparison approach	Weighted Price to earnings (P/E) ratio of similar comparable companies	1,078,342	975,643	The higher the P/E ratio of similar trading companies, the higher the fair value

(iii) *Determination of fair value of investment property classified as asset held for sale*
Management employed the services of estate surveyors and valuers expert to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighborhood properties were also considered in deriving the open market values. A variation of -/+5% will result in N37.5Mn fair value loss/gain respectively.

(iv) *Determination of impairment of property and equipment, and intangible assets excluding goodwill*
Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

(v) *Assessment of impairment of goodwill on acquired subsidiaries*
Goodwill on acquired subsidiaries was tested for impairment using discounted cash flow valuation method. Projected cash flows were discounted to present value using a discount rate of 15.18% and a cash flow growth rate of 10.32% over a period of five years. The Group determined the appropriate discount rate at the end of the reporting period. See note 31b for further details.

(vi) *Defined benefit plan*
The present value of the long term incentive plan depends on a number of factors that are determined in an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of obligations. The assumptions used in determining the net cost (income) for pensions include the discount rate. The Group determines the appropriate discount rate at the end of the reporting period. In determining the appropriate discount rate, reference is made to the yield on Nigerian Government Bonds that have maturity dates approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions. See note 41 for the sensitivity analysis.

4.3 Financial assets and liabilities
Fair value measurement
Accounting classification measurement basis and fair values

The table below sets out the classification of each class of financial assets and liabilities, and their fair values.

Group *In thousands of Naira* **31 December 2014**	**Trading**	**Derivatives held for trading**	**Held-to-maturity**	**Loans and receivables at amortized cost**	**Available-for-sale**	**Financial Liabilities measured at amortized cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	-	405,014,793	-	-	405,014,793	405,014,793
Non pledged trading assets								
Treasury bills	24,546,032	-	-	-	-	-	24,546,032	24,546,032
Bonds	3,786,172	-	-	-	-	-	3,786,172	3,786,172
Equity	79,440	-	-	-	-	-	79,440	79,440
Derivative financial instruments	-	24,866,681	-	-	-	-	24,866,681	24,866,681
Loans and advances to banks	-	-	-	12,435,659	-	-	12,435,659	12,584,887
Loans and advances to customers	-	-	-	1,110,464,442	-	-	1,110,464,442	1,068,909,228
Pledged assets								
Treasury bills	188,923	-	10,629,919	-	4,306,480	-	15,125,322	15,038,617
Bonds	-	-	71,946,825	-	-	-	71,946,825	43,005,034
Investment securities								
- Available for sale								
Treasury bills	-	-	-	-	92,046,032	-	92,046,032	91,906,703
Bonds	-	-	-	-	47,749,378	-	47,749,378	46,198,803
Equity	-	-	-	-	45,087,422	-	45,087,422	44,256,723
- Held to Maturity								
Treasury bills	-	-	23,495,446	-	-	-	23,495,446	23,359,267
Bonds	-	-	61,833,110	-	-	-	61,833,110	36,139,519
Other assets	-		-	36,030,750	-	-	36,030,750	36,030,750
	28,600,567	**24,866,681**	**167,905,300**	**1,563,945,644**	**189,189,312**	**-**	**1,974,507,504**	**1,875,722,649**
Deposits from financial institutions	-	-	-	-	-	119,045,423	119,045,423	115,765,391
Deposits from customers	-	-	-	-	-	1,454,419,052	1,454,419,052	1,455,710,695
Other liabilities	-	-	-	-	-	20,201,802	20,201,802	21,689,079
Derivative financial instruments	-	1,989,662	-	-	-	-	1,989,662	1,989,662
Debt securities issued	-	-	-	-	-	138,481,179	138,481,179	135,517,192
Interest bearing borrowings	-	-	-	-	-	79,816,309	79,816,309	78,369,011
	-	**1,989,662**	**-**	**-**	**-**	**1,811,963,765**	**1,813,953,427**	**1,809,041,030**

Group *In thousands of Naira*	**Trading**	**Derivatives held for trading**	**Held-to-maturity**	**Loans and receivables at amortised cost**	**Available-for-sale**	**Other amortized cost**	**Total carrying amount**	**Fair value**
31 December 2013								
Cash and balances with banks	-	-	-	439,459,541	-	-	439,459,541	439,459,541
Non pledged trading assets								
Treasury bills	2,370,725	-	-	-	-	-	2,370,725	2,370,725
Bonds	1,402,326	-	-	-	-	-	1,402,326	1,402,326
Equity	104,918	-	-	-	-	-	104,918	104,918
Derivative financial instruments	-	102,123	-	-	-	-	102,123	102,123
Loans and advances to banks	-	-	-	24,579,875	-	-	24,579,875	24,300,412
Loans and advances to customers	-	-	-	786,169,703	-	-	786,169,703	772,194,238
Pledged assets								
Treasury bills	-	-	-	-	4,774,503	-	4,774,503	4,774,503
Bonds	-	-	58,635,348	-	-	-	58,635,348	44,618,446
Investment securities	-							
- Available for sale								
Treasury bills	-	-	-	-	140,780,793	-	140,780,793	140,780,793
Bonds	-	-	-	-	9,847,556	-	9,847,556	9,847,556
Equity	-	-	-	-	39,231,797	-	39,231,797	39,231,797
- Held to Maturity								
Treasury bills			17,503,150				17,503,150	18,063,251
Bonds			146,448,052				146,448,052	130,971,693
Other assets	-	-	-	43,214,300	-	-	43,214,300	43,174,648
	3,877,969	**102,123**	**222,586,550**	**1,293,423,419**	**194,634,649**	**-**	**1,714,624,710**	**1,671,396,970**
Deposits from financial institutions	-	-	-	-	-	72,147,956	72,147,956	72,147,955
Deposits from customers	-	-	-	-	-	1,331,418,659	1,331,418,659	1,331,418,659
Other liabilities	-	-	-	-	-	54,706,413	54,706,413	54,043,974
Derivative financial instruments	-	32,955	-	-	-	-	32,955	32,955
Debt securities issued	-	-		-	-	55,828,248	55,828,248	56,556,465
Interest bearing borrowings	-	-	-	-	-	64,338,982	64,338,982	58,515,183
	-	**32,955**	**-**	**-**	**-**	**1,578,440,258**	**1,578,473,213**	**1,572,715,191**

Bank *In thousands of Naira* **31 December 2014**	**Trading**	**Derivatives held for trading**	**Held-to-maturity**	**Loans and receivables at amortised cost**	**Available-for-sale**	**Financial Liabilities measured at amortized cost**	**Total carrying amount**	**Fair value**
Cash and balances with banks	-	-	-	351,174,879	-	-	351,174,879	351,174,879
Non pledged trading assets								
Treasury bills	24,546,032	-	-	-	-	-	24,546,032	24,515,877
Bonds	3,786,172	-	-	-	-	-	3,786,172	3,786,172
Derivative financial instruments		24,831,145	-	-	-	-	24,831,145	24,831,145
Loans and advances to banks	-	-	-	55,776,837	-	-	55,776,837	55,837,270
Loans and advances to customers	-	-	-	1,019,908,848	-	-	1,019,908,848	933,545,177
Pledged assets								
Treasury bills	188,923	-	8,741,125	-	4,306,480	-	13,236,528	13,156,336
Bonds	-	-	71,946,825	-	-	-	71,946,825	42,729,652
Investment securities								
Available for sale								
Treasury bills	-	-	-	-	61,656,952	-	61,656,952	61,656,952
Bonds	-	-	-	-	45,543,884	-	45,543,884	45,543,884
Held to maturity								
Treasury bills	-	-	15,963,009	-	-	-	15,963,009	15,829,500
Bonds	-	-	57,921,864	-	-	-	57,921,864	48,695,078
Other assets	-	-	-	30,513,159	-	-	30,513,159	30,513,159
	28,521,127	**24,831,145**	**154,572,823**	**1,457,373,723**	**111,507,316**	**-**	**1,776,806,134**	**1,651,815,080**
Deposits from financial institutions	-	-	-	-	-	134,509,662	134,509,662	131,229,630
Deposits from customers	-	-	-	-	-	1,324,800,611	1,324,800,611	1,324,796,070
Derivative financial instruments	-	1,737,791	-	-	-	-	1,737,791	1,737,791
Other liabilities	-	-	-	-	-	15,678,189	15,678,189	15,678,189
Debt securities issued						73,155,391	73,155,391	70,949,501
Interest bearing borrowings	-	-	-	-	-	146,345,767	146,345,767	142,936,702
	-	**1,737,791**	**-**	**-**	**-**	**1,694,489,620**	**1,696,227,411**	**1,687,327,883**

Bank

In thousands of Naira
31 December 2013

	Trading	Derivatives held for trading	Held-to-maturity	Loans and receivables at amortised cost	Available-for-sale	Other amortized cost	Total carrying amount	Fair value
Cash and balances with banks	-	-	-	395,808,747	-	-	395,808,747	395,808,747
Non pledged trading assets								
Treasury bills	2,370,725	-	-	-	-	-	2,370,725	2,370,725
Bonds	1,402,326	-	-	-	-	-	1,402,326	1,402,326
Equity	104,918	-	-	-	-	-	104,918	104,918
Derivative financial instruments	-	72,675	-	-	-	-	72,675	72,675
Loans and advances to banks	-	-	-	13,048,651	-	-	13,048,651	12,769,188
Loans and advances to customers	-	-	-	735,300,741	-	-	735,300,741	734,338,155
Pledged assets				-				
Treasury bills	-	-	-	-	4,712,475	-	4,712,475	4,712,475
Bonds	-	-	58,635,348	-	-	-	58,635,348	37,617,492
Investment securities								
Available for sale								
Treasury bills	-	-	-	-	119,864,079	-	119,864,079	119,864,079
Bonds	-	-	-	-	9,509,116	-	9,509,116	9,509,116
Equity	-	-	-	-	39,231,797	-	39,231,797	39,231,797
Held to maturity								
Treasury bills	-	-	-	-	-	-	-	-
Bonds	-	-	140,466,810	-	-	-	140,466,810	124,990,451
Other assets	-	-	-	37,705,436	-	-	37,705,436	36,436,496
	3,877,969	**72,675**	**199,102,158**	**1,181,863,575**	**173,317,467**	**-**	**1,558,233,844**	**1,519,228,641**
Deposits from financial institutions	-	-	-	-	-	61,295,352	61,295,352	59,689,165
Deposits from customers	-	-	-	-	-	1,217,176,792	1,217,176,792	1,217,176,792
Other liabilities	-	-	-	-	-	50,881,253	50,881,253	50,881,253
Interest bearing borrowings	-	-	-	-	-	120,342,026	120,342,026	115,071,648
	-	**-**	**-**	**-**	**-**	**1,449,695,423**	**1,449,695,423**	**1,442,818,858**

4.3 (b) Fair value of financial assets and liabilities not carried at fair value

The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) Cash

The carrying amount of Cash and balances with banks is a reasonable approximation of fair value.

(ii) Loans and advances to banks and customers

Loans and advances are net of charges for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Investment securities, Pledged and Non-Pledged trading assets

The fair value for investment securities is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

Investment securities (available for sale) disclosed in the table above comprise only those equity securities held at cost less impairment. The fair value for these assets is based on estimations using market prices and earning multiples of quoted securities with similar characteristics. All other available for sale assets are already measured and carried at fair value.

(iv) Other assets

The bulk of these financial assets have short (less than 3months) maturities with their amounts of financial assets in is a reasonable approximation of fair value.

(v) Deposits from banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(vi) Other liabilities

The carrying amount of financial assets in other liabilities is a reasonable approximation of fair value.

(vii) Interest bearing borrowings

The estimated fair value of fixed interest-bearing borrowings not quoted in an active market is based on discounted cash flows using the contractual interest rates for these debts over their remaining maturity.

5.1 Credit risk management

5.1.1 Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to financial assets are as follows:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Cash and balances with banks				
- Current balances with banks outside Nigeria	15,109,636	98,875,036	9,351,944	77,501,261
- Unrestricted balances with central banks	32,060,575	31,143,134	22,262,582	24,775,442
- Restricted balances with central banks	257,591,933	172,406,297	255,603,361	171,944,537
- Money market placements	65,813,241	121,368,581	36,965,179	89,433,649
Non pledged trading assets				
Treasury bills	24,546,032	2,370,725	24,546,032	2,370,725
Bonds	3,786,172	1,402,326	3,786,172	1,402,326
Derivative financial instruments	24,866,681	102,123	24,831,145	72,675
Loans and advances to banks	12,435,659	24,579,875	55,776,837	13,048,651
Loans and advances to customers	1,110,464,442	786,169,703	1,019,908,848	735,300,741
Pledged assets				
Treasury bills	15,125,322	4,774,503	13,236,528	4,712,475
Bonds	71,946,825	58,635,348	71,946,825	58,635,348
Investment securities				
Available for sale				
Treasury bills	92,046,032	140,780,793	61,656,952	119,864,079
Bonds	47,749,378	9,847,556	45,543,884	9,509,116
Held to Maturity				
Treasury bills	23,495,446	17,503,150	15,963,009	-
Bonds	61,833,110	146,448,052	57,921,864	140,466,810
Other assets	36,030,750	43,214,300	30,513,159	37,705,436
Total	**1,894,901,234**	**1,659,621,502**	**1,749,814,321**	**1,486,743,271**
Off balance sheet exposuress				
Transaction related bonds and guarantees	165,466,393	158,715,258	145,831,160	142,850,060
Guaranteed facilities	91,373,327	54,741,356	72,221,845	46,956,539
Clean line facilities for letters of credit and other commitments	377,152,396	228,957,302	372,652,653	162,171,919
Total	**633,992,116**	**442,413,916**	**590,705,658**	**351,978,518**

Balances included in Other Assets above are those subject to credit risks. The table above shows a worst-case scenario of credit risk exposure to the Group as at 31 December 2014 and 31 December 2013, without taking account of any collateral held or other credit enhancements attached.

For on-balance-sheet assets, the exposures set out above are based on net amounts reported in the statements of financial position.

The Directors are confident in their ability to continue to control exposure to credit risk which can result from both its Loans and Advances portfolio and debt securities.

5.1.2 Gross loans and advances to customers per sector is as analysed follows:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Agriculture	14,740,963	11,574,463	14,483,622	11,435,182
Capital market	1,316,637	178,303	1,316,637	177,518
Construction	65,583,095	28,466,420	55,747,139	23,338,255
Education	1,482,317	668,715	1,482,317	668,715
Financand insurance	22,537,038	12,803,857	22,091,245	12,343,465
General	27,709,205	17,789,296	26,521,378	14,554,456
General commerce	170,977,055	111,804,399	148,635,603	93,962,250
Government	55,409,711	64,508,486	54,100,558	63,676,766
Information And communication	111,394,390	80,013,457	108,560,585	76,960,274
Other Manufactiring (Industries)	75,553,584	47,211,983	53,534,031	40,435,342
Basic Metal Products	2,271,646	16,049,601	2,271,646	16,049,601
Cement	28,528,775	17,490,840	28,528,775	17,490,840
Conglomerate	6,924,579	5,694,247	6,924,579	5,694,247
Steel Rolling Mills	66,843,130	53,396,911	66,843,130	53,396,911
Flourmills And Bakeries	4,795,238	6,049,296	4,795,238	6,049,296
Food Manufacturing	19,386,264	12,199,833	19,386,264	12,199,833
Oil And Gas - Downstream	128,040,641	139,792,100	108,160,569	131,715,446
Oil And Gas - Services	89,343,529	49,892,029	89,343,529	49,892,029
Oil And Gas - Upstream	63,154,069	39,834,017	63,154,069	39,834,017
Crude oil refining	26,157,810	-	26,157,810	-
Real estate activities	66,444,681	52,018,628	65,943,853	51,464,340
Transportation and storage	47,154,949	15,551,605	45,393,168	14,435,214
Power and energy	23,236,149	13,546,822	15,502,705	10,465,298
Professional, scientific and technical activities	2,106,274	883,097	2,106,274	883,097
Others	8,354,541	3,246,019	5,930,261	1,418,441
	1,129,446,270	**800,664,424**	**1,036,914,985**	**748,540,833**

5.1.3 Credit quality

(a) Credit quality by class

Group

In thousands of Naira	Loans and advances to Individuals		Loans and advances Corporates		Loans and advances to banks		Off balance sheet	
	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013	December 2014	December 2013
Carrying amount	27,798,737	13,975,470	1,082,665,705	772,194,233	12,435,659	24,579,875	633,992,116	442,413,916
Neither past due nor impaired								
Grade 1 - 3:	24,625,482	11,909,297	1,025,873,789	709,160,122	12,417,088	24,589,212	633,424,581	441,510,242
Grade 4 -5:	1,901,440	53,449	37,399,652	38,425,213	-	-	80,573	451,837
Gross amount	26,526,922	11,962,746	1,063,273,441	747,585,335	12,417,088	24,589,212	633,505,154	441,962,079
Impairment	(381,007)	(241,932)	(8,757,115)	(5,172,948)	(1,655)	(9,337)	-	-
Carrying amount	26,145,915	11,720,814	1,054,516,326	742,412,387	12,415,433	24,579,875	633,505,154	441,962,079
Past due but not impaired:								
Grade 6:	117,669	208,849	1,851,029	1,458,597	15,918	-	-	-
Grade 7:	724,616	683,056	3,050,021	8,121,261	8,994	-	-	-
Grade 8:	1,227,641	1,188,339	7,413,786	6,865,745	-	-	486,962	451,837
Gross amount	2,069,926	2,080,244	12,314,836	16,445,603	24,912	-	486,962	451,837
Impairment	(417,104)	(241,866)	(1,459,071)	(892,462)	(4,686)	-	-	-
Carrying amount	1,652,822	1,838,378	10,855,765	15,553,141	20,226	-	486,962	451,837
Past due and impaired:								
Grade 6: Impaired	-	518,269	573,859	6,084,199	-	-	-	-
Grade 7: Impaired	-	260,240	16,004,792	6,972,693	-	-	-	-
Grade 8: Impaired	-	777,281	8,683,764	7,976,411	-	-	-	-
Gross amount	-	1,555,790	25,262,415	21,033,303	-	-	-	-
Allowance for impairment	-	(1,139,512)	(7,968,801)	(6,804,598)	-	-	-	-
Carrying amount	-	416,278	17,293,615	14,228,705	-	-	-	-

Bank	**Loans and advances to Individuals**		**Loans and advances Corporates**		**Loans and advances to banks**		**Off balance sheet**	
In thousands of Naira	**December 2014**	**December 2013**	**December 2014**	**December 2013**	**December 2014**	**December 2013**	**December 2014**	**December 2013**
Carrying amount	20,474,335	11,612,197	999,434,514	723,688,544	55,776,837	13,048,651	590,705,657	361,401,929
Neither past due nor impaired								
Grade 1 - 3:	19,064,106	9,965,719	947,196,486	663,646,422	55,758,266	13,057,988	590,218,383	360,512,201
Grade 4 -5:	14,528	49,966	36,288,582	38,443,121	-	-	313	382,798
Gross amount	19,078,634	10,015,685	983,485,068	702,089,543	55,758,266	13,057,988	590,218,696	360,894,999
Impairment	(257,123)	(241,866)	(8,532,680)	(5,065,812)	(1,655)	(9,337)	-	-
Carrying amount	18,821,511	9,773,819	974,952,388	697,023,731	55,756,611	13,048,651	590,218,696	360,894,999
Past due but not Impaired:								
Grade 6:	117,669	208,850	1,851,028	1,458,602	-	-	-	-
Grade 7:	724,616	683,056	3,050,021	8,121,261	15,918	-	-	-
Grade 8:	1,227,642	1,188,339	7,413,786	6,865,745	8,994	-	486,962	506,930
Gross amount	2,069,927	2,080,245	12,314,835	16,445,608	24,912	-	486,962	506,930
Impairment	(417,104)	(241,867)	(1,459,071)	(892,462)	(4,686)	-		-
Carrying amount	1,652,823	1,838,378	10,855,764	15,553,146	20,226	-	486,962	506,930
Past due and Impaired:								
Grade 6: Impaired	-	-	169,051	6,084,199	-	-	-	-
Grade 7: Impaired	-	-	15,268,156	6,972,693	-	-	-	-
Grade 8: Impaired	-	-	4,529,314	4,867,287	-	-	-	-
Gross amount	-	-	19,966,521	17,924,179	-	-	-	-
Allowance for impairment		-	(6,340,159)	(6,812,512)	-	-	-	-
Carrying amount	-	-	13,626,362	11,111,667	-	-	-	-

5.1.3
(b) Aging analysis of credit quality

	Group		Bank	
31 December 2014	**Loans to individuals**	**Loans to Corporates and Banks**	**Loans to individuals**	**Loans to Corporates and Banks**
Past due & not impaired				
Past due up to 30days				
Past due up 30 - 60 days	117,669	1,851,029	117,669	1,851,028
Past due up 60 - 90 days	724,616	3,065,939	724,616	3,065,939
	1,227,641	7,422,780	1,227,642	7,422,780
Total	2,069,926	12,339,748	2,069,927	12,339,747
Past due & impaired				
Past due up to 91 - 180days	-	573,859	-	169,051
Past due up 180 - 360 days	-	16,004,792	-	15,268,156
Above 360days	636	8,683,128	-	4,529,314
Total	636	25,261,779	-	19,966,521
31 December 2013				
Past due & not impaired				
Past due up to 30days	346,707	2,740,935	346,707	2,740,935
Past due up 30 - 60 days	1,040,122	8,222,804	1,040,122	8,222,804
Past due up 60 - 90 days	693,415	5,481,869	693,415	5,481,869
Total	2,080,244	16,445,608	2,080,244	16,445,608
Past due & impaired				
Past due up to 91 - 180days	518,269	6,084,199	-	6,084,199
Past due up 180 - 360 days	260,240	6,972,693	-	6,972,693
Above 360days	777,281	7,976,411	-	4,867,287
Total	1,555,790	21,033,303	-	17,924,179

(c) Debt securities

Grade 1-3: Low-fair risk

	December 2014			December 2013		
Group	**Treasury bills**	**Bonds**	**Total**	**Treasury bills**	**Bonds**	**Total**
Available-for-sale assets	92,046,032	47,749,378	139,795,410	140,780,793	9,847,556	150,628,349
Held to maturity assets	23,495,446	61,833,110	85,328,556	17,503,150	146,448,052	163,951,202
Non pledged trading assets	24,546,032	3,786,172	28,332,204	2,370,725	1,402,326	3,773,051
Pledged assets	15,125,322	71,946,825	87,072,147	4,774,503	58,635,348	63,409,851
Carrying amount	155,212,832	185,315,485	340,528,317	165,429,171	216,333,282	381,762,453
Bank	**Treasury bills**	**Bonds**	**Total**	**Treasury bills**	**Bonds**	**Total**
Available-for-sale assets	61,656,952	45,543,884	107,200,836	119,864,079	9,509,116	129,373,195
Held to maturity assets	15,963,009	57,921,864	73,884,873	-	140,466,810	140,466,810
Non pledged trading assets	24,546,032	3,786,172	28,332,204	2,370,725	1,402,326	3,773,051
Pledged assets	13,236,528	71,946,825	85,183,353	4,712,475	58,635,348	63,347,823
Carrying amount	115,402,521	179,198,745	294,601,266	126,947,279	210,013,600	336,960,879

The credit risk associated with Cash and balances with banks, derivatives and other assets (all neither past due nor impaired) are considered to be low at 31 December 2014.

5.1.3 Credit quality
(d) Credit quality by risk rating class

Group

In thousands of Naira

External Rating Equivalent	Grade	Risk Rating	Loans and advances to Individuals December 2014	Loans and advances to Individuals December 2013	Loans and advances Corporates December 2014	Loans and advances Corporates December 2013	Loans and advances to banks December 2014	Loans and advances to banks December 2013
AAA	Investment	1	-	-	103,411,591	84,185,983	12,290,573	24,234,430
AA	Investment	2+	-	-	160,138,302	69,316,762	-	-
A	Investment	2	-	-	125,585,058	131,742,876	-	134,691
BBB	Investment	2-	-	-	205,089,767	118,456,596	-	-
BB+	Standard	3+	1,289,875	417,940	184,994,108	57,950,888	-	-
BB	Standard	3	20,688,668	10,374,717	174,611,584	196,322,475	126,515	220,091
BB-	Standard	3-	2,646,939	1,116,636	72,043,380	51,185,944	-	-
B	Non-Investment	4	1,107,304	1,911	34,754,218	36,173,817	-	-
B-	Non-Investment	5	794,136	51,537	2,645,434	2,251,396	-	-
CCC	Non-Investment	6	117,669	727,118	2,424,888	7,542,801	-	-
C	Non-Investment	7	724,616	943,296	19,054,813	15,093,954	15,918	-
D	Non-Investment	8	1,228,276	1,965,621	16,096,913	14,842,156	8,994	-
Gross amount			28,597,483	15,598,776	1,100,850,056	785,065,648	12,442,000	24,589,212
Collective Impairment			(798,110)	(483,798)	(10,216,186)	(6,066,811)	(6,341)	(9,337)
Specific Impairment			-	(1,139,512)	(7,967,529)	(6,804,598)	-	-
Carrying amount			**27,799,373**	**13,975,466**	**1,082,666,341**	**772,194,239**	**12,435,659**	**24,579,875**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2014	Gross Nominal December 2013	Fair Value December 2014	Fair Value December 2013
AAA	Investment	1	221,399,500	-	24,761,064	-
B-	Non-Investment	5	5,242,089	11,471,603	105,617	102,123
Gross amount			226,641,589	11,471,603	24,866,681	102,123
Collective Impairment			-	-	-	-
Specific Impairment			-	-	-	-
Carrying amount			**226,641,589**	**11,471,603**	**24,866,681**	**102,123**

The external rating equivalent refers to the equivalent ratings for loans and advances by credit rating agencies.

Credit quality by risk rating class

Bank

In thousands of Naira

External Rating Equivalent	Grade	Risk Rating	Loans and advances to Individuals December 2014	Loans and advances to Individuals December 2013	Loans and advances Corporates December 2014	Loans and advances Corporates December 2013	Loans and advances to banks December 2014	Loans and advances to banks December 2013
AAA	Investment	1	-	-	101,796,663	82,878,804	55,631,752	12,703,206
AA	Investment	2+	-	-	145,945,811	60,596,394	-	-
A	Investment	2	-	-	117,107,385	126,176,782	-	134,691
BBB	Investment	2-	-	-	200,318,443	112,884,334	-	-
BB+	Standard	3+	920,644	81,066	170,052,461	50,055,376	-	-
BB	Standard	3	17,438,164	8,900,767	143,399,733	182,980,135	126,514	220,091
BB-	Standard	3-	705,298	983,886	68,575,990	48,074,597	-	-
B	Non-Investment	4	14,528	465	34,515,625	36,175,264	-	-
B-	Non-Investment	5	-	49,502	1,772,958	2,253,431	-	-
CCC	Non-Investment	6	117,669	208,849	2,020,080	7,542,800	-	-
C	Non-Investment	7	724,616	683,056	18,318,177	15,093,954	15,918	-
D	Non-Investment	8	1,227,642	1,188,339	11,943,099	11,733,032	8,994	-
Gross amount			21,148,561	12,095,930	1,015,766,425	736,444,903	55,783,178	13,057,988
Collective Impairment			(674,229)	(483,733)	(9,991,751)	(5,943,847)	(6,341)	(9,337)
Specific Impairment			-	-	(6,340,159)	(6,812,512)	-	-
Carrying amount			**20,474,332**	**11,612,197**	**999,434,515**	**723,688,544**	**55,776,837**	**13,048,651**

Derivative Financial Instruments

External Rating Equivalent	Grade	Risk Rating	Gross Nominal December 2014	Gross Nominal December 2013	Fair Value December 2014	Fair Value December 2013
AAA	Investment	1	221,399,500	-	24,761,064	-
BB	Standard	3	3,096,726	9,423,411	70,081	72,675
Gross amount			224,496,226	9,423,411	24,831,145	72,675
Collective Impairment			-	-	-	-
Specific Impairment			-	-	-	-
Carrying amount			**224,496,226**	**9,423,411**	**24,831,145**	**72,675**

The external rating equivalent refers to the equivalent ratings for loans and advances bycredit rating agencies.

5.1.3 Credit quality
(e) Credit quality by credit risk rating model

Group
In thousands of Naira

Risk Rating (ORR) Model	Loans and advances to Individuals December 2014	Loans and advances to Individuals December 2013	Loans and advances Corporates December 2014	Loans and advances Corporates December 2013	Loans and advances to banks December 2014	Loans and advances to banks December 2013
Auto Loan	1,049,322	588,969	2,186,891	1,257,383	3,491	-
Credit Card	1,701,880	1,220,445	251,828	348,842	-	-
Finance Lease	67,905	161,129	2,684,171	2,000,500	-	-
Mortgage Loan	4,291,312	3,859,707	179,950	-	-	-
Overdraft	5,653,252	3,764,482	255,764,405	166,953,179	26,149	172,124
Personal Loan	8,195,722	3,176,765	-	-	-	-
Term Loan	4,263,687	2,578,910	541,142,322	429,600,488	121,787	1,057,336
Time Loan	3,374,403	248,370	298,639,218	184,905,253	12,290,573	23,359,752
Gross amount	28,597,483	15,598,777	1,100,848,785	785,065,645	12,442,000	24,589,212
Collective Impairment	(798,111)	(483,798)	(10,216,186)	(6,066,811)	(6,341)	(9,337)
Specific Impairment	-	(1,139,512)	(7,967,529)	(6,804,598)	-	-
Carrying amount	27,799,372	13,975,467	1,082,665,070	772,194,236	12,435,659	24,579,875

Bank
In thousands of Naira

Risk Rating (ORR) Model	Loans and advances to Individuals December 2014	Loans and advances to Individuals December 2013	Loans and advances Corporates December 2014	Loans and advances Corporates December 2013	Loans and advances to banks December 2014	Loans and advances to banks December 2013
Auto Loan	1,039,754	549,534	2,186,891	1,240,483	3,491	-
Credit Card	1,619,091	1,220,445	251,829	348,842	-	-
Finance Lease	-	161,129	2,480,457	1,566,157	-	-
Mortgage Loan	3,570,299	3,805,234	179,950	-	-	-
Overdraft	4,111,433	2,645,838	226,471,125	146,183,869	26,149	172,124
Personal Loan	6,865,010	1,602,249	-	-	-	-
Term Loan	3,274,322	1,863,132	509,908,731	408,839,723	121,786	1,057,336
Time Loan	668,650	248,369	274,287,442	178,265,829	55,631,752	11,828,528
Gross amount	21,148,559	12,095,930	1,015,766,425	736,444,903	55,783,178	13,057,988
Collective Impairment	(674,228)	(483,733)	(9,991,750)	(5,943,847)	(6,341)	(9,337)
Specific Impairment	-	-	(6,340,159)	(6,812,512)	-	-
Carrying amount	20,474,331	11,612,197	999,434,516	723,688,544	55,776,837	13,048,651

5.1.3 (f) Estimate of the fair value of collateral and other security enhancements held against loans and advances to customers and banks is shown below:

Group *In thousands of Naira*	**Loans and advances to customers**		**Loans and advances to banks**	
	December 2014	**December 2013**	**December 2014**	**December 2013**
Against neither past due and not impaired				
Property	394,328,852	196,050,502	-	-
Equities	5,343,810	10,008,051	-	-
Cash	29,996,336	120,671,708	-	-
Pledged goods/receivables	-	-	-	-
Others	45,395,427	131,210,626	-	-
Total	**475,064,425**	**457,940,887**	**-**	
Against past due but not impaired:				
Property	11,445,304	19,133,477	-	-
Equities	2,539	1,705	-	-
Cash	-	-	-	-
Pledged goods/receivables	-	-	-	-
Others	-	9,884,392	-	-
Total	**11,447,843**	**29,019,574**	**-**	**-**
Against past due and impaired				
Property	8,471,685	1,707,061	-	-
Equities	4,129	-	-	-
Others	947,815	2,089,071	-	-
	9,423,629	**3,796,132**	**-**	**-**
Total	**495,935,897**	**490,756,593**	**-**	**-**

Bank *In thousands of Naira*	**Loans and advances to customers**		**Loans and advances to banks**	
	December 2014	**December 2013**	**December 2014**	**December 2013**
Against neither past due and not impaired				
Property	375,551,288	176,969,899	-	-
Equities	5,188,165	9,034,018	-	-
Cash	26,083,771	108,927,341	-	-
Others	40,172,943	118,440,560	-	-
Total	**446,996,167**	**413,371,818**	**-**	**-**
Against past due but not impaired:				
Property	11,445,304	17,271,313	-	-
Equities	2,539	1,539	-	-
Cash	-	-	-	-
Others	-	8,922,394	-	-
Total	**11,447,843**	**26,195,246**	**-**	**-**
Against past due and impaired				
Property	6,777,347	1,540,921	-	-
Equities	4,129	-		
Cash		-		
Others	653,666	1,885,752	-	-
Total	**7,435,142**	**3,426,673**	**-**	**-**
Total	**465,879,152**	**442,993,737**	**-**	**-**

There are no collaterals held against other financial assets.

Collateral held and other credit enhancements, and their financial effect

The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. Because of the Group's focus on customers' creditworthiness, the Group does not routinely update the valuation of collateral held against all loans to customers. Valuation of collateral is updated when the credit risk of a loan deteriorates significantly and the loan is monitored more closely. For impaired loans, the Group obtains appraisals of collateral because the current value of the collateral is an input to the impairment measurement.

5.1.4 Repossessed collateral

The group obtained assets by taking possession of collateral held as security. The nature and carrying amounts of such assets at the reporting date are as follows:

Nature of assets	Bank Carrying value December 2014	Bank Carrying value December 2013
Investment property	-	5,159,830
	-	**5,159,830**

5.1.5 Offsetting financial assets and financial liabilities

As at 31 December 2014

In thousands of Naira

The following financial assets are subject to offsetting	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
Financial assets			
Loans and advances to banks	12,881,327	445,668	12,435,659
Total	**12,881,327**	**445,668**	**12,435,659**

As at 31 December 2014

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets offset in the statement of financial position	Net amounts of financial assets presented in the statement of financial position
Financial liabilities			
Interest bearing borrowing	80,261,977	445,668	79,816,309
Total	**80,261,977**	**445,668**	**79,816,309**

An obligation exists between the Bank and Access Finance B.V., for which Access Finance B.V. was expected to lend the Bank the sum of USD 2,462,000 as a share premium loan. The loan agreement between both parties however permits that the obligation of Access Finance B.V. to grant the loan, be set off against the obligation of the Bank to repay the loan such that each party's obligation either as a borrower or lender is discharged. In view of this, no loan payable has been recognized in the Bank's financial statements.

The gross amounts of financial assets and financial liabilities disclosed in the above tables have been measured in the statement of financial position on the following bases:

(1) Loans and advances to customers – amortised cost; and

(2) Interest bearing borrowings – amortised cost.

5.1.6 (a) Credit concentration

The Group monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of net credit risk at the reporting date is shown below:

Group
By Sector

December 2014

In thousands of Naira	**Corporate**	**Commercial**	**Bank**	**Retail**	**Government**	**Others**	**Total**
Cash and balances with banks	-	-	370,575,385	-		-	370,575,385
Non pledged trading assets							
Treasury bills	-	-	-	-	24,546,032	-	24,546,032
Bonds	-	-	-	-	3,786,172	-	3,786,172
Derivative financial assets	52,388	-	24,814,293	-	-	-	24,866,681
Loans and advances to banks	-	-	12,435,659	-		-	12,435,659
Loans and advances to customers	-	-	-	-		-	-
Auto Loan	407,110	1,414,713	-	1,121,666	252,306	-	3,195,795
Credit Card	23,885	130,420	-	1,764,825	-	-	1,919,130
Finance Lease	1,109,581	1,555,628	-	67,558	-	-	2,732,767
Mortgage Loan	-	34,844	-	4,373,896	-	-	4,408,740
Overdraft	127,191,153	107,823,260	-	6,274,984	8,120,785	-	249,410,182
Personal Loan	-	-	-	8,099,089	-	-	8,099,089
Term Loan	285,000,294	212,988,576	-	4,224,648	37,768,413	-	539,981,931
Time Loan	114,911,265	172,334,423	-	4,458,741	9,012,378	-	300,716,808
Pledged assets							
Treasury bills	-	-	-	-	15,125,322	-	15,125,322
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale	-	-	-	-	92,046,032	-	92,046,032
Treasury bills	11,941,141	-	9,171,429	-	26,636,807	-	47,749,378
Bonds							
- Held to Maturity							
Treasury bills	-	-	-	-	23,495,446	-	23,495,446
Bonds	5,225,169	-	1,031,974	-	55,575,967	-	61,833,110
Other assets	8,304,220	702,502	2,407,285	3,833,245	10,100,525	10,682,974	36,030,751
Total	**554,166,205**	**496,984,366**	**420,436,025**	**34,218,652**	**378,413,010**	**10,682,974**	**1,894,901,234**
Credit risk exposures relating to other credit commitments at gross amount are as follows:							
Transaction related bonds and guarantees	23,601,545	115,996,127	-	346,462	24,882,433	639,826	165,466,393
Guaranteed facilities	27,622,038	59,530,706	-	259,327	3,648,713	312,543	91,373,327
Clean line facilities for letters of credit and other commitments	64,015,860	57,639,456	1,886,733	128,746	253,481,601	-	377,152,396
Total	**115,239,443**	**233,166,289**	**1,886,733**	**734,535**	**282,012,747**	**952,369**	**633,992,116**

Group
By Sector

December 2013
In thousands of Naira

	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	423,793,048	-	-	-	423,793,048
Non pledged trading assets							
Treasury bills	-	-	-	-	2,370,725	-	2,370,725
Bonds	-	-	-	-	1,402,326	-	1,402,326
Derivative financial instruments	102,123	-	-	-	-	-	102,123
Loans and advances to banks	-	-	24,579,875	-	-	-	24,579,875
Loans and advances to customers			-				-
Auto Loan	305,204	743,567	-	772,359	-	-	1,821,130
Credit Card	23,813	54,512	-	1,467,355	5	-	1,545,685
Finance Lease	1,143,729	463,428	-	339,124	79,966	111,930	2,138,177
Mortgage Loan	-	-	-	3,811,569	-	-	3,811,569
Overdraft	86,207,987	62,072,159	-	13,269,670	1,036,677	-	162,586,493
Personal Loan	-	18,461	-	3,135,912	-	-	3,154,373
Term Loan	256,219,478	97,050,048	-	13,210,986	60,345,671	-	426,826,184
Time Loan	102,480,718	76,639,377	-	562,741	4,603,257	-	184,286,093
Pledged assets							
Treasury bills	-	-	-	-	4,774,503	-	4,774,503
Bonds	-	-	-	-	58,635,348	-	58,635,348
Investment securities							
- Available for sale							
Treasury bills	-	-	-	-	140,780,793	-	140,780,793
Bonds	129,322	338,440	3,277,502	-	6,102,292	-	9,847,556
- Held to Maturity							
Treasury bills					17,503,150		17,503,150
Bonds	6,353,017	-	1,854,566	-	138,240,469	-	146,448,052
Other assets	-	-	15,976,057	-	5,780,566	21,457,677	43,214,300
Total	**452,965,391**	**237,379,992**	**469,481,048**	**36,569,716**	**441,655,748**	**21,569,607**	**1,659,621,502**

Credit risk exposures relating to other credit commitments at gross amount are as follows:	Corporate	Commercial	Bank	Retail	Government	Others	Total
Transaction related bonds and guarantees	28,348,984	129,756,173	-	57,655	165,014	387,432	158,715,258
Guaranteed facilities	14,655,032	37,658,194	15,000	145,341	2,145,707	122,082	54,741,356
Clean line facilities for letters of credit and other commitments	172,136,387	55,973,847	743,954	103,114	-	-	228,957,302
Total	**215,140,403**	**223,388,213**	**758,954**	**306,110**	**2,310,721**	**509,514**	**442,413,916**

5.1.6(a)i Concentration by location for loans and advances is measured based on the location of the Group entity holding the asset, which has a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the location of the issuer of the security.

By geography
Group

December 2014 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	316,735,471	31,931,324	21,908,590	-	370,575,385
Non pledged trading assets					
Treasury bills	3,786,172	-	-	-	3,786,172
Bonds	24,546,032	-	-	-	24,546,032
Derivative financial instruments	24,761,064	-	105,617	-	24,866,681
Loans and advances to banks	12,435,659	-	-	-	12,435,659
Loans and advances to customers					
Auto Loan	3,186,276	9,519	-	-	3,195,795
Credit Card	1,836,831	82,299	-	-	1,919,130
Finance Lease	2,462,536	270,231	-	-	2,732,767
Mortgage Loan	3,696,195	712,544	-	-	4,408,739
Overdraft	220,076,669	29,333,513	-	-	249,410,182
Personal Loan	6,771,930	1,327,160	-	-	8,099,090
Term Loan	507,949,921	18,296,164	13,735,847	-	539,981,932
Time Loan	273,928,488	26,255,890	532,429	-	300,716,807
Pledged assets					
Treasury bills	13,236,528	1,888,794	-	-	15,125,322
Bonds	71,946,825	-	-	-	71,946,825
Investment securities					
- Available for sale					
Treasury bills	61,656,952	13,703,364	16,685,716	-	92,046,032
Bonds	37,193,593	-	10,555,785	-	47,749,378
- Held to Maturity					
Treasury bills	22,819,121	-	676,325	-	23,495,446
Bonds	60,088,642	-	1,744,468	-	61,833,110
Other assets	30,513,159	2,652,048	2,865,543	-	36,030,750
Total	**1,699,628,065**	**126,462,850**	**68,810,320**	**-**	**1,894,901,233**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	145,828,839	19,636,482	1,072	-	165,466,393
Guaranteed facilities	72,209,932	19,163,395	-	-	91,373,327
Clean line facilities for letters of credit and other commitments	372,652,651	4,455,746	43,999	-	377,152,396
Total	**590,691,422**	**43,255,623**	**45,071**	**-**	**633,992,116**

By geography

Group **December 2013** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	199,600,213	49,785,767	49,165,466	125,241,602	423,793,048
Non pledged trading assets					
Treasury bills	2,370,725	-	-	-	2,370,725
Bonds	1,402,326	-	-	-	1,402,326
Derivative financial instruments	102,123	-	-	-	102,123
Loans and advances to banks	345,445	479,970	23,754,460	-	24,579,875
Loans and advances to customers					
Auto Loan	1,764,794	56,336	-	-	1,821,130
Credit Card	1,545,685	-	-	-	1,545,685
Finance Lease	1,708,082	430,095	-	-	2,138,177
Mortgage Loan	3,752,849	58,720	-	-	3,811,569
Overdraft	141,574,414	21,012,079	-	-	162,586,493
Personal Loan	1,578,372	1,576,001	-	-	3,154,373
Term Loan	405,729,477	16,156,700	4,940,007	-	426,826,184
Time Loan	177,646,668	4,169,421	2,470,003	-	184,286,092
Pledged assets					
Treasury bills	4,712,475	62,028	-	-	4,774,503
Bonds	58,635,348	-	-	-	58,635,348
Investment securities					
- Available for sale					
Treasury bills	119,864,079	15,662,029	5,254,685	-	140,780,793
Bonds	2,818,336	-	7,029,220	-	9,847,556
- Held to Maturity					
Treasury bills	-	3,662,517	13,840,633	-	17,503,150
Bonds	139,645,369	4,236,774	2,565,909	-	146,448,052
Other assets	22,163,640	5,034,951	9,905,167	6,110,542	43,214,300
Total	**1,286,960,420**	**122,383,388**	**118,925,550**	**131,352,144**	**1,659,621,502**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	142,850,060	14,115,422	1,749,776	-	158,715,258
Guaranteed facilities	46,956,539	7,784,817	-	-	54,741,356
Clean line facilities for letters of credit and other commitments	162,171,919	18,988,528	47,796,855	-	228,957,302
Total	**351,978,518**	**40,888,767**	**49,546,631**	**-**	**442,413,916**

Credit risk management

5.1.6 (b) By Sector

Bank
December 2014

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	324,183,066	-		-	324,183,066
Non pledged trading assets							
Treasury bills	-	-	-	-	24,546,032	-	24,546,032
Bonds	-	-	-	-	3,786,172	-	3,786,172
Derivative financial instruments	52,388	-	17,693	-	24,761,064	-	24,831,145
Loans and advances to banks	-	-	55,776,837	-		-	55,776,837
Loans and advances to customers	-	-	-	-		-	-
Auto Loan	407,110	1,414,713	-	1,112,147	252,306	-	3,186,276
Credit Card	23,884	130,420	-	1,682,527	-	-	1,836,831
Finance Lease	998,111	1,464,425	-	-	-	-	2,462,536
Mortgage Loan	-	34,844	-	3,661,353	-	-	3,696,197
Overdraft	111,864,393	95,283,183	-	4,808,308	8,120,785	-	220,076,669
Personal Loan	-	-	-	6,771,929	-	-	6,771,929
Term Loan	267,921,588	200,116,138	-	3,244,830	36,667,365	-	507,949,921
Time Loan	101,651,047	161,485,154	-	1,779,910	9,012,378	-	273,928,489
Pledged assets							
Treasury bills	-	-	-	-	13,236,528	-	13,236,528
Bonds	-	-	-	-	71,946,826	-	71,946,826
Investment securities							
Available for sale							
Treasury bills	-	-	-	-	61,656,952	-	61,656,952
Bonds	1,384,355	-	6,965,935	-	37,193,593	-	45,543,884
Held to Maturity							
Treasury bills	-	-	-	-	15,963,009	-	15,963,009
Bonds	2,886,419	-	1,031,974	-	54,003,471	-	57,921,864
Other assets	6,777,688	140,437	1,100,860	2,836,891	9,763,994	9,893,290	30,513,159
Total	**493,966,983**	**460,069,314**	**389,076,365**	**25,897,894**	**370,910,475**	**9,893,290**	**1,749,814,323**

Credit risk exposures relating to other credit commitments at gross amount are as follows:	Corporate	Commercial	Bank	Retail	Government	Others	Total
Transaction related bonds and guarantees	13,964,545	105,997,893	-	346,462	24,882,434	639,826	145,831,161
Guaranteed facilities	20,122,038	47,902,619	-	255,932	3,638,713	302,543	72,221,845
Clean line facilities for letters of credit and other commitments	60,015,860	57,139,712	1,886,733	128,746	253,481,602	-	372,652,653
Total	**94,102,443**	**211,040,224**	**1,886,733**	**731,140**	**282,002,749**	**942,369**	**590,705,659**

By Sector

Bank
December 2013

In thousands of Naira	Corporate	Commercial	Bank	Retail	Government	Others	Total
Cash and balances with banks	-	-	363,654,889	-		-	363,654,889
Non pledged trading assets							
Treasury bills	-	-	-	-	2,370,725	-	2,370,725
Bonds	-	-	-	-	1,402,326	-	1,402,326
Derivative financial assets	72,675	-	-	-	-	-	72,675
Loans and advances to banks	-	-	13,048,651	-	-	-	13,048,651
Loans and advances to customers							
Auto Loan	305,203	687,231	-	72,360	-	-	1,064,793
Credit Card	23,813	54,512	-	1,467,355	5	-	1,545,685
Finance Lease	968,739	320,253	-	339,124	79,966	-	1,708,082
Mortgage Loan	-	-	-	3,752,849	-	-	3,752,849
Overdraft	79,611,306	56,674,876	-	4,251,554	1,036,677	-	141,574,413
Personal Loan	-	18,461	-	1,559,911	-	-	1,578,372
Term Loan	242,506,168	97,050,048	-	5,827,591	60,345,671	-	405,729,478
Time Loan	102,868,004	72,001,878	-	562,740	2,214,447	-	177,647,069
Pledged assets							
Treasury bills	-	-	-	-	4,712,475	-	4,712,475
Bonds	-	-	-	-	58,635,348	-	58,635,348
Investment securities							
- Available for sale							
Treasury bills	-	-	-	-	119,864,079	-	119,864,079
Bonds	6,690,780	-	-	-	2,818,336	-	9,509,116
- Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	11,246,809	-	1,033,123	-	128,186,878	-	140,466,810
Other assets	-	-	15,976,057	-	5,780,566	15,948,813	37,705,436
Total	**444,293,497**	**226,807,259**	**393,712,720**	**17,833,483**	**387,447,499**	**15,948,813**	**1,486,043,272**

Credit risk exposures relating to other credit commitments at gross amount are as follows:	Corporate	Commercial	Bank	Retail	Government	Others	Total
Transaction related bonds and guarantees	12,483,787	129,756,172	-	57,655	165,014	387,432	142,850,060
Guaranteed facilities	6,870,216	37,658,194	15,000	145,341	2,145,707	122,081	46,956,539
Clean line facilities for letters of credit and other commitments	105,351,003	55,973,848	743,954	103,114	-	-	162,171,919
Total	**124,705,006**	**223,388,214**	**758,954**	**306,110**	**2,310,721**	**509,513**	**351,978,518**

5.1.6 (b)i By geography

Bank **December 2014** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	307,912,599	3,624,876	2,737,562	9,908,029	324,183,066
Non pledged trading assets					
Treasury bills	24,546,032	-	-	-	24,546,032
Bonds	3,786,172	-	-	-	3,786,172
Derivative financial instruments	24,813,452	-	17,693	-	24,831,145
Loans and advances to banks	55,776,837	-	-	-	55,776,837
Loans and advances to customers					
Auto Loan	3,186,276	-	-	-	3,186,276
Credit Card	1,836,831	-	-	-	1,836,831
Finance Lease	2,462,536	-	-	-	2,462,536
Mortgage Loan	3,696,197	-	-	-	3,696,197
Overdraft	220,076,672	-	-	-	220,076,672
Personal Loan	6,771,929	-	-	-	6,771,929
Term Loan	507,949,921	-	-	-	507,949,921
Time Loan	273,928,486	-	-	-	273,928,486
Pledged assets					
Treasury bills	13,236,528	-	-	-	13,236,528
Bonds	71,946,825	-	-	-	71,946,825
Investment securities					
Available for sale					
Treasury bills	61,656,952	-	-	-	61,656,952
Bonds	36,672,871	-	8,871,013	-	45,543,884
Held to Maturity					
Treasury bills	15,963,009	-	-	-	15,963,009
Bonds	57,921,864	-	-	-	57,921,864
Other assets	29,490,011	1,023,148	-	-	30,513,159
Total	**1,723,632,000**	**4,648,024**	**11,626,268**	**9,908,029**	**1,749,814,321**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	145,831,160	-	-	-	145,831,160
Guaranteed facilities	72,221,845	-	-	-	72,221,845
Clean line facilities for letters of credit and other commitments	372,652,653	-	-	-	372,652,653
Total	**590,705,658**	**-**	**-**	**-**	**590,705,658**

By geography

Bank **December 2013** *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Others**	**Total**
Cash and balances with banks	199,138,453	367,249	38,907,585	125,241,602	363,654,889
Non pledged trading assets					
Treasury bills	2,370,725	-	-	-	2,370,725
Bonds	1,402,326	-	-	-	1,402,326
Derivative financial instruments	72,675	-	-	-	72,675
Loans and advances to banks	345,445	479,970	12,223,236	-	13,048,651
Loans and advances to customers					
Auto Loan	1,764,793	-	-	-	1,764,793
Credit Card	1,545,685	-	-	-	1,545,685
Finance Lease	1,708,082	-	-	-	1,708,082
Mortgage Loan	3,752,849	-	-	-	3,752,849
Overdraft	141,574,414	-	-	-	141,574,414
Personal Loan	1,578,372	-	-	-	1,578,372
Term Loan	405,729,878	-	-	-	405,729,878
Time Loan	177,646,668	-	-	-	177,646,668
Pledged assets					
Treasury bills	4,712,475	-	-	-	4,712,475
Bonds	58,635,348	-	-	-	58,635,348
Investment securities					
Available for sale					
Treasury bills	119,864,079	-	-	-	119,864,079
Bonds	2,818,336	-	6,690,780	-	9,509,116
Held to Maturity					
Treasury bills	-	-	-	-	-
Bonds	139,645,369	-	821,441	-	140,466,810
Other assets	20,460,439	-	9,905,167	7,339,830	37,705,436
Total	**1,284,766,411**	**847,219**	**68,548,209**	**132,581,432**	**1,486,743,271**

Credit risk exposures relating to othr credit commitments at gross amount are as follows:					
Transaction related bonds and guarantees	142,850,060	-	-	-	142,850,060
Guaranteed facilities	46,956,539	-	-	-	46,956,539
Clean line facilities for letters of credit and other commitments	162,171,919	-	-	-	162,171,919
Total	**351,978,518**	**-**	**-**	**-**	**351,978,518**

5.2.1 A summary of the Group's interest rate gap position on financial insturments is as follows:

Group				**Re-pricing period**			
In thousands of Naira **31 December 2014**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	147,422,860	-	-	-	-	257,591,933	405,014,793
Non pledged trading assets							
Treasury bills	18,108,814	1,348,700	5,088,518	-	-	-	24,546,032
Bonds	-	3,552,375	-	233,797	-	-	3,786,172
Loans and advances to banks	-	4,976,800	7,458,859	-	-	-	12,435,659
Loans and advances to customers							
Auto Loan	16,962	36,691	115,857	3,026,285	-	-	3,195,794
Credit Card	1,832,205	-	14,797	72,128	-	-	1,919,130
Finance Lease	249,344	164,056	41,560	2,277,809	-	-	2,732,768
Mortgage Loan	-	71,254	121,132	1,087,129	3,129,861	-	4,409,376
Overdraft	180,987,256	31,870,190	36,531,732	20,366	-	-	249,409,546
Personal Loan	362,620	448,015	686,373	6,509,209	92,872	-	8,099,089
Term Loan	87,032,638	31,592,080	22,181,512	271,447,831	127,727,871	-	539,981,932
Time Loan	209,197,628	39,510,144	48,217,990	3,790,287	759	-	300,716,809
Pledged assets							
Treasury bills	10,633,684	2,137,392	2,354,246	-	-	-	15,125,322
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale							
Treasury bills	31,374,867	56,915,907	3,755,259	-	-	-	92,046,032
Bonds	-	37,193,593	-	10,555,785	-	-	47,749,378
- Held to Maturity							
Treasury bills	5,838,977	14,930,757	2,725,712	-	-	-	23,495,446
Bonds	7,966,321	-	-	40,262,778	13,604,011	-	61,833,110
Other assets	-	-	-	-	-	36,030,750	36,030,750
	701,024,176	**224,747,954**	**129,293,547**	**339,283,405**	**216,502,199**	**293,622,683**	**1,904,473,962**
Non-derivative liabilities							
Deposits from financial institutions	104,196,956	10,592,358	4,256,109	-	-	-	119,045,423
Deposits from customers	1,295,131,921	57,033,357	101,953,774	300,000	-	-	1,454,419,052
Other liabilties	7,047,903	3,674,411	4,601,503	4,783,730	-	94,255	20,201,802
Debt securities issued	-	-	-	65,325,788	73,155,391	-	138,481,179
Interest bearing borrowings	156,136	-	-	31,541,774	48,118,399	-	79,816,309
	1,406,532,916	**71,300,126**	**110,811,386**	**101,951,292**	**121,273,790**	**94,255**	**1,811,963,765**
Total interest re-pricing gap	(705,508,740)	153,447,828	18,482,161	237,332,113	95,228,408	293,528,428	92,510,197

Group	Re-pricing period						
In thousands of Naira **31 December 2013**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	303,141,161	848,929	577,130	-	-	134,892,321	439,459,541
Non- pledged trading assets							
Treasury bills	1,173,239	348,327	849,159	-	-	-	2,370,725
Bonds	25,935	-	-	1,145,220	231,171	-	1,402,326
Loans and advances to banks	5,959,111	9,545,550	7,644,831	1,430,383	-	-	24,579,875
Loans and advances to customers							
Auto Loan	348,476	2,885	62,293	1,407,475	-	-	1,821,129
Credit Card	1,545,685	-	-	-	-	-	1,545,685
Finance Lease	81,840	46,610	118,975	1,890,752	-	-	2,138,177
Mortgage Loan	451,881	-	5,777	479,150	2,874,761	-	3,811,569
Overdraft	107,670,840	27,210,458	25,955,198	1,749,997	-	-	162,586,493
Personal Loan	26,212	1,232	30,826	3,093,416	2,687	-	3,154,373
Term Loan	58,755,263	44,364,987	30,283,286	78,340,565	215,082,084	-	426,826,185
Time Loan	155,467,208	16,934,205	4,876,085	7,007,711	883	-	184,286,092
Pledged assets							
Treasury bills	4,774,503	-	-	-	-	-	4,774,503
Bonds	-	-	-	-	58,635,348	-	58,635,348
Investment securities							
- Available for sale							
Treasury bills	71,336,707	47,282,061	22,162,025	-	-	-	140,780,793
Bonds	-	-	-	9,847,556	-	-	9,847,556
- Held to Maturity							
Treasury bills	5,834,383	8,168,137	3,500,630				17,503,150
Bonds	3,056,099	9,574,162	59,123,792	25,559,380	49,134,619		146,448,052
Other assets	-	-	-	-	-	43,214,300	43,214,300
	719,648,543	**164,327,543**	**155,190,007**	**131,951,604**	**325,961,553**	**178,106,621**	**1,675,185,873**
Non-derivative liabilities							-
Deposits from financial institutions	56,942,176	11,082,064	4,123,716	-	-	-	72,147,956
Deposits from customers	830,181,563	133,236,381	345,376,295	2,239,232	-	20,385,188	1,331,418,659
Other liabilties	-	-	-	-	-	54,706,413	54,706,413
Debt securities issued	-	-	-	55,828,248	-	-	55,828,248
Interest bearing borrowings	2,292,943	1,349,297	4,143,416	41,328,553	15,224,773	-	64,338,982
	889,416,682	**145,667,742**	**353,643,427**	**99,396,033**	**15,224,773**	**75,091,601**	**1,578,440,258**
Total interest re-pricing gap	(169,768,139)	18,659,801	(198,453,420)	32,555,571	310,736,780	103,015,020	96,745,615

5.2.1 A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

Bank	**Re-pricing period**						
In thousands of Naira **31 December 2014**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	95,571,518		-	-	-	255,603,361	351,174,879
Non- pledged trading assets							
Treasury bills	18,445,882	1,426,320	4,673,830	-	-	-	24,546,032
Bonds	-	3,054,118	-	332,054	400,000	-	3,786,172
Loans and advances to banks	21,447	-	55,631,752	123,638	-	-	55,776,837
Loans and advances to customers							
Auto Loan	15,914	34,311	111,573	3,024,477	-	-	3,186,275
Credit Card	1,749,906	-	14,797	72,128	-	-	1,836,831
Finance Lease	168,275	96,498	1,025	2,196,738	-	-	2,462,536
Mortgage Loan	-	-	-	887,617	2,808,580	-	3,696,197
Overdraft	172,481,174	20,430,121	27,145,009	20,366	-	-	220,076,670
Personal Loan	97,188	63,139	235,139	6,283,592	92,872	-	6,771,930
Term Loan	83,829,436	26,787,279	14,173,509	266,643,030	116,516,667	-	507,949,921
Time Loan	203,839,963	31,473,649	34,823,831	3,790,287	758	-	273,928,488
Pledged assets							
Treasury bills	8,415,414	2,260,000	2,561,114	-	-	-	13,236,528
Bonds	-	-	-	-	71,946,825	-	71,946,825
Investment securities							
- Available for sale							-
Treasury bills	16,303,382	41,450,379	3,903,191	-	-	-	61,656,952
Bonds	-	35,460,759	-	10,027,310	55,815	-	45,543,884
- Held to Maturity							-
Treasury bills	4,507,169	11,063,387	392,453	-	-	-	15,963,009
Bonds	30,000	8,749,900	1,050,000	38,485,362	9,606,602	-	57,921,864
Other assets	-	-	-	-	-	30,513,159	30,513,159
	605,476,668	**182,349,860**	**144,717,223**	**331,886,599**	**201,428,119**	**286,116,520**	**1,751,974,989**
Non-derivative liabilities							
Deposits from financial institutions	132,429,521	2,080,141	-	-		-	134,509,662
Deposits from customers	1,242,641,410	51,537,687	30,321,514	300,000	-	-	1,324,800,611
Other liabilities	7,402,275	3,674,411	4,601,503	-		-	15,678,189
Debt securities	-	-	-	-	73,155,391	-	73,155,391
Interest bearing borrowings	1,346,365	5,135,743	5,091,139	104,654,102	22,159,426	7,958,992	146,345,767
	1,383,819,571	**62,427,982**	**40,014,156**	**104,954,102**	**95,314,817**	**7,958,992**	**1,694,489,620**
Total interest re-pricing gap	(778,342,903)	119,921,877	104,703,067	226,932,497	106,113,302	278,157,528	57,485,369

Bank	**Re-pricing period**						
In thousands of Naira **31 December 2013**	**Less than 3 months**	**4 - 6 months**	**7 - 12 months**	**1 - 5 years**	**More than 5 years**	**Non-Interest bearing**	**Total**
Non-derivative assets							
Cash and balances with banks	261,378,186	-	-	-	-	134,430,561	395,808,747
Non- pledged trading assets							
Treasury bills	1,173,239	348,327	849,159	-	-	-	2,370,725
Bonds	25,935	-	-	1,145,220	231,171	-	1,402,326
Loans and advances to banks	-	8,223,486	4,345,195	479,970	-	-	13,048,651
Loans and advances to customers							
Auto Loan	348,476	2,885	62,293	1,351,140	-	-	1,764,794
Credit Card	1,545,685	-	-	-	-	-	1,545,685
Finance Lease	81,840	46,610	118,975	1,460,657	-	-	1,708,082
Mortgage Loan	451,881	-	5,777	420,430	2,874,761	-	3,752,849
Overdraft	87,665,779	26,803,445	25,955,198	1,749,997	-	-	142,174,419
Personal Loan	26,212	1,232	30,826	917,810	2,687	-	978,766
Term Loan	58,698,927	36,521,502	25,310,765	70,116,200	215,082,084	-	405,729,478
Time Loan	155,611,136	16,934,205	4,876,085	224,358	883	-	177,646,668
Pledged assets							
Treasury bills	4,712,475	-	-	-	-	-	4,712,475
Bonds	-	-	-	-	58,635,348	-	58,635,348
Investment securities							
- Available for sale							
Treasury bills	61,290,535	39,464,474	19,109,070	-	-	-	119,864,079
Bonds	-	-	-	9,509,116	-	-	9,509,116
- Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	3,056,099	9,574,162	59,123,792	24,771,561	43,941,195	-	140,466,809
Other assets	-	-	-	-	-	37,705,436	37,705,436
	636,066,405	**137,920,328**	**139,787,135**	**112,146,459**	**320,768,129**	**172,135,997**	**1,518,824,453**
Non-derivative liabilities							
Deposits from financial institutions	56,942,176	4,208,541	144,635	-	-	-	61,295,352
Deposits from customers	785,591,169	95,673,189	335,912,435	-	-	-	1,217,176,793
Other liabilities	-	-	-	-	-	15,678,189	15,678,189
Interest bearing borrowings	2,292,943	1,349,297	4,143,416	97,331,598	15,224,773	-	120,342,027
	844,826,288	**101,231,027**	**340,200,486**	**97,331,598**	**15,224,773**	**15,678,189**	**1,414,492,361**
Total interest re-pricing gap	(208,759,883)	36,689,301	(200,413,351)	14,814,861	305,543,356	156,457,808	104,332,094

Market risk management

The Group trades on bonds, treasury bills and foreign exchange. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits. The major measurement technique used to measure and control market risk is outlined below.

5.2.2 Value at risk (VAR)

The Group applies a 'value at risk' (VAR) methodology to its trading portfolios and at a group level to estimate the market risk of positions held and the maximum losses expected, based upon a number of assumptions for various changes in market conditions. The Board sets limits on the value of risk that may be accepted for the Group, which are monitored on a daily basis by Treasury Unit. Interest rate risk in the non-trading book is measured through the use of interest rate repricing gap analysis (Note 5.2.1).

VAR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Group might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. Value-at-risk estimates the potential maximum decline in the value of a position or portfolio, under normal market conditions, over a one-day holding period. It also assumes that market moves occurring over this holding period will follow a similar pattern. The Group applies these historical changes in rates, prices, indices, etc. directly to its current positions - a method known as historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and parameters/ factors used in the VAR calculation.
The Access Bank value-at-risk method incorporates the factor sensitivities of the trading portfolio, the volatilities and correlations of the market risk factors. The group uses the variance covariance method which derives likely future changes in market value from historical market volatility. Value at risks is estimated on the basis of exposures outstanding at the close of business and therefore might not factor in the intra-day exposures. However, the bank does not only based its risk estimates on Value at Risk, it uses Stress tests to provide an indication of the potential size of losses that could arise in extreme conditions by applying a what-if analysis to further complement it. The results of the stress tests are reviewed by senior management in each business unit and by the Board of Directors.

The trading book is made up of foreign currency, Bonds and Treasury bills instruments. The value at Risk of the trading book is as stated:

Trading

The Group trades on bonds, treasury bills and foreign exchange while subsidiaries trade on foreign currencies only. Market risk in trading portfolios is monitored and controlled using tools such as position limits, value at risk and present value of an assumed basis points change in yields or exchange rates coupled with concentration limits.

1 Day VAR summary

Group

	December 2014			
	Average	**High**	**Low**	**Actual**
Foreign exchange risk	15,982,744	59,675,425	62,820	1,939,865
Interest rate risk				
- Treasury bills	97,139,728	792,551,201	4,625,377	163,534,948
- Bonds	31,263,860	168,416,053	48,763	21,845,994
Total	**144,386,332**	**1,020,642,679**	**4,736,960**	**187,320,807**

Bank

	December 2014			
	Average	**High**	**Low**	**Actual**
Foreign exchange risk	12,896,588	28,305,388	35,811	-
Interest rate risk				
- Treasury bills	97,139,728	792,551,201	4,625,377	163,534,948
- Bonds	31,263,860	168,416,053	48,763	21,845,994
Total	**141,300,176**	**989,272,642**	**4,709,951**	**185,380,942**

Group	December 2013			
	Average	High	Low	Actual
Foreign exchange risk	(8,765,308)	13,669,142	(19,943,285)	(19,733,507)
Interest rate risk	(57,972,316)	262,820,854	(460,274,271)	(52,190,081)
Total	**(66,737,624)**	**276,489,996**	**(480,217,556)**	**(71,923,588)**

Bank	December 2013			
	Average	High	Low	Actual
Foreign exchange risk	(8,765,308)	13,669,142	(19,943,285)	(19,733,507)
Interest rate risk	(49,744,235)	225,518,368	(394,946,980)	(44,782,679)
Total	**(58,509,543)**	**239,187,510**	**(414,890,265)**	**(64,516,186)**

The table below sets out information on the exposure to fixed and variable interest instruments.

Exposure to fixed and variable interest rate risk
Group
In thousands of Naira

31 December 2014	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	147,422,860	-	257,591,933	405,014,793
Non pledged trading assets	28,332,204	-	79,440	28,411,644
Derivative financial instruments	-	-	24,866,681	24,866,681
Loans and advances to banks	12,435,659	-	-	12,435,659
Loans and advances to customers	8,094,817	1,102,369,625	-	1,110,464,442
Pledged assets	87,072,147	-	-	87,072,147
Investment securities:				
– Available-for-sale	139,795,410	-	45,087,422	184,882,832
– Held-to-maturity	85,328,556	-	-	85,328,556
TOTAL	**508,481,653**	**1,102,369,625**	**327,625,476**	**1,938,476,754**
LIABILITIES				
Deposits from financial institutions	119,045,423	-	-	119,045,423
Deposits from customers	629,193,731	825,225,318	-	1,454,419,049
Derivative financial instruments	-	-	1,989,662	1,989,662
Debt securities issued	138,481,179	-	-	138,481,179
Interest-bearing borrowings	31,394,994	48,421,315	-	79,816,309
TOTAL	**918,115,327**	**873,646,633**	**1,989,662**	**1,793,751,622**

31 December 2013	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	220,243,617	-	219,215,924	439,459,541
Non pledged trading assets	3,877,969	-	-	3,877,969
Derivative financial instruments	-	-	102,123	102,123
Loans and advances to banks	24,579,875	-	-	24,579,875
Loans and advances to customers	7,420,624	778,749,080	-	786,169,704
Pledged assets	63,409,851	-	-	63,409,851
Investment securities:				
– Available-for-sale	150,289,909	-	39,570,237	189,860,146
– Held-to-maturity	163,951,202	-	-	163,951,202
TOTAL	**633,773,047**	**778,749,080**	**258,888,284**	**1,671,410,411**
LIABILITIES				
Deposits from financial institutions	72,147,955	-	-	72,147,955
Deposits from customers	501,645,662	829,772,997	-	1,331,418,659
Derivative financial instruments	-	-	32,955	32,955
Interest-bearing borrowings	-	-	-	64,338,982
TOTAL	**573,793,617**	**829,772,997**	**32,955**	**1,467,938,551**

Bank

31 December 2014	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	36,965,179	-	314,209,700	351,174,879
Non pledged trading assets	28,411,644	-	-	28,411,644
Derivative financial instruments	-	-	24,866,681	24,866,681
Loans and advances to banks	55,776,837	-	-	55,776,837
Loans and advances to customers	4,055,691	1,015,853,157	-	1,019,908,848
Pledged assets	85,183,353	-	-	85,183,353
Investment securities:				-
– Available-for-sale	106,680,114	-	39,431,796	146,111,910
– Held-to-maturity	73,884,873	-	-	73,884,873
TOTAL	**390,957,691**	**1,015,853,157**	**378,508,177**	**1,785,319,025**
LIABILITIES				
Deposits from financial institutions	134,509,662	-	-	134,509,662
Deposits from customers	586,973,211	737,827,398	-	1,324,800,609
Derivative financial instruments	-	-	1,737,791	1,737,791
Debt securities issued	-	73,155,391	-	73,155,391
Interest-bearing borrowings	97,924,452	48,421,317	-	146,345,769
TOTAL	819,407,325	859,404,106	1,737,791	1,680,549,222

31 December 2013	**Fixed**	**Floating**	**Non-interest bearing**	**Total**
ASSETS	**N'000**	**N'000**	**N'000**	**N'000**
Cash and balances with banks	166,934,910	-	228,873,837	395,808,747
Non pledged trading assets	3,773,051	-	104,918	3,877,969
	-	-	72,675	72,675
Loans and advances to banks	13,048,651	-	-	13,048,651
Loans and advances to customers	3,612,839	782,556,865	-	786,169,704
Pledged assets	63,347,823	-	-	63,347,823
Investment securities:				
– Available-for-sale	129,373,195	-	39,231,798	168,604,993
– Held-to-maturity	140,466,809	-	-	140,466,809
TOTAL	**520,557,278**	**782,556,865**	**268,283,228**	**1,571,397,371**
LIABILITIES				
Deposits from financial institutions	8,191,490	53,103,862	-	61,295,352
Deposits from customers	455,231,840	761,944,953	-	1,217,176,793
Interest-bearing borrowings	57,020,588	63,321,438	-	120,342,026
TOTAL	**520,443,918**	**878,370,253**	**-**	**1,398,814,171**

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing (note 5.2.1) and value at risk (note 5.2.2) that may be undertaken, which is monitored daily by Group Treasury.

Cash flow and fair value interest rate risk

The group's interest rate risk arises from risk assets and long-term borrowings, deposits from banks and customers. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Other financial liabilities issued at fixed rates expose the group to fair value interest rate risk.

The management of interest rate risk against interest rate gap limits is supplemented with monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios.

Interest rate movement have both cash flow and fair value effect depending on whether interest rate is fixed or floating. The impact resulting from adverse or favourable movement flows from either retained earnings or OCI and ultimately ends in equity in the following manner:

(i) Retained earnings arising from increase or decrease in net interest income and the fair value changes reported in profit or loss.

(ii) Fair value reserves arising from increases or decreases in fair value of available-for-sale financial instruments reported directly in other comprehensive income.

Group

Interest sensitivity analysis - 31 December 2014

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	**Size of Gap**	**Cashflow interest rate risk 100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	(705,508,105)	579,870	(579,870)
6 months	153,447,828	(378,365)	378,365
12 months	18,482,161	(184,822)	184,822
	(533,578,116)	**16,683**	**(16,683)**

Interest sensitivity analysis - 31 December 2013

Impact of 100 basis points changes in rates over a one year period (N'000)

Time Band	**Cashflow interest rate risk 100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	625,559	(625,559)
6 months	210,389	(210,389)
12 months	2,169,244	(2,169,244)
	3,005,192	**(3,005,192)**

Bank

Interest sensitivity analysis - 31 December 2014

Impact on net interest income of +/-100 basis points changes in rates over a one year period (N'000)

Time Band	**Size of Gap**	**Cashflow interest rate risk 100 basis points decline in rates**	**100 basis points increase in rates**
Less than 3 months	(778,342,903)	639,734	(639,734)
6 months	122,047,091	(300,938)	300,938
12 months	104,703,067	(1,047,031)	1,047,031
	(551,592,745)	**(708,235)**	**708,235**

Interest sensitivity analysis - 31 December 2013

Impact of 100 basis points changes in rates over a one year period (N'000)

Time Band	**Cashflow interest rate risk rates**	**increase in rates**
Less than 3 months	684,706	(684,706)
6 months	45,582	(45,582)
12 months	2,174,566	(2,174,566)
	2,904,854	**(2,904,854)**

The table above sets out the impact on net interest income of a 100 basis points parallel fall or rise in all yields. A parallel increase in yields by 100 basis points would lead to an increase in net interest income while a parallel falls in yields by 100 basis points would lead to a decline in net interest income. The interest rate sensitivities are based on simplified scenarios and assumptions, including that all positions will be retained and rolled over upon maturity. The figures represent the effect of movements in net interest income based on the 100 basis point shift in interest rate and subject to the current interest rate exposures. However, the effect has not taken into account the possible risk management measures undertaken by the Bank to mitigate interest rate risk. In practice, the Assets and Liability Committee, ALCO seeks proactively to change the interest rate risk profile to minimize losses and optimise net revenues. The projections also assume that interest rates on various maturities will move within similar ranges, and therefore do not reflect any potential effect on net interest income in the event that some interest rates may change and others remain unchanged.

Price sensitivity analysis on bonds and treasury bills

The table below shows the impact of likely movement in yields on the value of bonds and treasury bills. This relates to the positions held for trade and available for sales. Since an increase in yields would lead to decline in market values of bonds and treasury bills, the analysis was carried out to show the likely impact of 50 basis points increase in market yields. The impact of held for trading investments is on the income statement while the impact of available for sale instruments is on the statement of other comprehensive income.

Group

31 December 2014	**Caryinq Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive			
Held for trading Bonds	3,786,172	34,987	13,075
Held for trading T-bills	24,546,032	(85,430)	(122,835)
Impact on Other Comprehensive Income			
Available for sale investments	141,716,040	(626,969)	(19,767)
TOTAL	**170,048,244**	**(677,412)**	**(129,527)**

31 December 2013	**Caryinq Value**	**Impact of 50 basis points increase in yields**	**Impact of 50 basis points increase in yields**
Impact on Statement of Comprehensive			
Held for trading Bonds	1,129,324	(70,374)	(19,042)
Held for trading T.bills	2,356,425	9,270	19,330
Impact on Other Comprehensive Income			
Available for sale investments	19,075,871	299,509	273,284
TOTAL	**22,561,620**	**238,405**	**273,572**

Bank

31 December 2014	**Caryinq Value**	**Impact of 50 basis points increase in yields**	**Impact of 100 basis points increase in yields**
Impact on Statement of Comprehensive Income			
Held for trading Bonds	3,786,172	34,987	13,075
Held for trading T.bills	24,546,032	(85,430)	(122,835)
Held for trading	**28,332,204**	**(50,443)**	**(109,760)**
Impact on Other Comprehensive Income			
Available for sale investments	109,121,466	(482,766)	(569,704)
TOTAL	**137,453,670**	**(533,209)**	**(679,464)**

31 December 2013	**Caryinq Value**	**Impact of 50 basis points increase in yields**	**Impact of 50 basis points increase in yields**
Impact on Statement of Comprehensive			
Held for trading Bonds	1,129,324	(70,374)	(19,042)
Held for trading T.bills	2,356,425	9,270	19,330
Held for trading	3,485,749	(61,104)	288
Impact on Other Comprehensive Income			
Available for sale investments	16,257,535	255,259	331,598
TOTAL	**19,743,284**	**194,155**	**331,886**

5.2.3 The table below summarises the Group's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency
Group

In thousands of Naira

31 December 2014	**Total**	**Naira**	**US $**	**GBP**	**Euro**	**Others**
Cash and balances with banks	405,014,793	334,720,872	33,190,564	14,354,481	11,542,629	11,206,247
Non-pledged trading assets						
Treasury bills	24,546,032	24,546,032	-	-	-	-
Bonds	3,786,172	3,786,172	-	-	-	-
Equity	79,440	79,440	-	-	-	-
Derivative financial instruments	24,866,681	-	24,866,681	-	-	-
Loans and advances to banks	12,435,659	145,085	-	12,290,574	-	-
Loans and advances to customers	-	-	-	-	-	-
Auto Loan	3,195,795	3,186,276	-	-	-	9,519
Credit Card	1,919,130	260,850	1,658,027	253	-	-
Finance Lease	2,732,767	1,354,012	1,108,524	-	-	270,231
Mortgage Loan	4,408,740	3,645,130	51,066	-	-	712,544
Overdraft	249,410,182	196,679,153	26,326,190	2,256	2,421	26,400,162
Personal Loan	8,099,089	6,531,859	240,070	-	-	1,327,160
Term Loan	539,981,932	244,883,198	266,269,925	12,362,262	-	16,466,547
Time Loan	300,716,807	111,981,926	168,694,753	580,322	957,015	18,502,791
Pledged assets						
Treasury bills	15,125,322	13,236,528	-	-	-	1,888,794
Bonds	71,946,825	71,946,825	-	-	-	-
Investment securities	-	-	-	-	-	-
- Available for sale						
Treasury bills	92,046,032	61,656,952	-	19,567,536		10,821,544
Bonds	47,749,378	37,193,593	10,555,785	-	-	-
Equity	45,087,422	45,087,422	-	-	-	-
- Held to Maturity						
Treasury bills	23,495,446	23,495,446	-	-	-	-
Bonds	61,833,110	49,432,542	1,551,167	1,744,468	-	9,104,933
Other assets	36,030,750	21,235,571	4,933,087	482,266	4,962	9,374,864
	1,974,507,505	**1,255,084,884**	**539,445,839**	**61,384,418**	**12,507,027**	**106,085,336**
						-
Deposits from financial institutions	119,045,423	-	104,440,854	5,220,977	4,057,703	5,325,889
Deposits from customers	1,454,419,052	962,857,336	396,080,908	18,068,662	16,433,183	60,978,963
Derivative financial instruments	1,989,662	-	1,737,791	251,871	-	-
Other liabilities	20,201,802	8,417,676	8,592,050	333,528	1,133,634	1,724,914
Debt securities issued	138,481,179	-	138,481,179	-	-	-
Interest bearing borrowings	79,816,309	31,391,634	48,424,675	-	-	-
	1,813,953,427	**1,002,666,646**	**697,757,457**	**23,875,038**	**21,624,520**	**68,029,766**
Off balance sheet exposuress						
Transaction related bonds and guarantees	165,466,393	110,544,517	46,395,843	349,724	90,246	8,086,063
Guaranteed facilities	91,373,327	23,316,732	39,498,364	-	17,954,443	10,603,788
Clean line facilities for letters of credit and other commitments	377,152,396	31,382	367,511,575	356,957	5,353,943	3,898,539
	633,992,116	**133,892,631**	**453,405,782**	**706,681**	**23,398,632**	**22,588,390**

Group
In thousands of Naira

31 December 2013	**Total**	**Naira**	**US $**	**GBP**	**Euro**	**Others**
Cash and balances with banks	439,459,541	260,494,916	124,326,370	20,207,125	17,077,120	17,354,010
Non-pledged trading assets						
Treasury bills	2,370,725	2,370,725	-	-	-	-
Bonds	1,402,326	1,402,326	-	-	-	-
Equity	104,918	104,918	-	-	-	-
Derivative financial instruments	102,123	-	80,829	12,889	8,405	-
Loans and advances to banks	24,579,875	345,445	23,291,359	19,991	923,080	-
Loans and advances to customers						
Auto Loan	1,821,130	1,764,794	-	-	-	56,336
Credit Card	1,545,685	105,219	1,440,181	285	-	-
Finance Lease	2,138,177	1,708,081	-	-	-	430,096
Mortgage Loan	3,811,569	3,752,849	-	-	-	58,720
Overdraft	162,586,492	131,873,468	23,888,262	3,008,861	97,241	3,718,660
Personal Loan	3,154,373	1,570,157	8,215	-	-	1,576,001
Term Loan	426,826,185	285,377,241	120,352,237	-	-	21,096,706
Time Loan	184,286,092	30,513,575	143,847,177	32,808	3,208,716	6,683,816
Pledged assets			-	-	-	
Treasury bills	4,774,503	4,712,475	-	-	-	62,028
Bonds	58,635,348	58,635,348	-	-	-	-
Investment securities				-		
- Available for sale						
Treasury bills	140,780,793	119,864,079	-	18,059,611	-	2,857,103
Bonds	9,847,556	2,818,336	7,029,220	-	-	-
Equity	39,231,797	39,231,797	-	-	-	-
- Held to Maturity						
Treasury bills	17,503,150	-	7,850,659	-	-	9,652,491
Bonds	146,448,052	143,525,604	-	2,922,448	-	-
Other assets	43,214,300	20,500,090	11,142,427	630,530	2,756,847	8,184,406
	1,714,624,708	**1,110,671,443**	**463,256,936**	**44,894,548**	**24,071,409**	**71,730,373**
Deposits from financial institutions	72,147,956	7,161,530	54,577,845	1,296,884	8,424,934	686,763
Deposits from customers	1,331,418,659	933,913,152	317,797,743	9,582,405	14,034,476	56,090,883
Derivative financial instruments	32,955	-	8,755	16,833	7,367	-
Other liabilities	54,706,413	31,897,727	13,187,678	333,421	6,836,079	2,451,508
Debt securities issued	55,828,248	-	55,828,248	-	-	-
Interest bearing borrowings	64,338,982	38,247,211	26,091,771	-	-	-
	1,578,473,213	**1,011,219,620**	**467,492,040**	**11,229,543**	**29,302,856**	**59,229,154**
Off balance sheet exposuress						
Transaction related bonds and guarantees	158,715,258	108,458,868	36,417,906	-	432,422	13,406,062
Guaranteed facilities	54,741,356	21,442,945	14,689,365	-	18,609,046	
	228,957,302	-	216,689,716	218,918	10,024,148	2,024,520
Clean line facilities for letters of credit and other commitments						
	442,413,916	**129,901,813**	**267,796,987**	**218,918**	**29,065,616**	**15,430,582**

5.2.3 The table below summaries the Bank's financial instruments at carrying amount, categorised by currency:

Financial instruments by currency

Bank
In thousands of Naira

31 December 2014	**Total**	**Naira**	**US $**	**GBP**	**Euro**	**Others**
Cash and balances with banks	351,174,879	337,434,866	7,164,550	2,218,668	3,697,876	658,919
Non-pledged trading assets						
Treasury bills	24,546,032	24,546,032	-	-	-	-
Bonds	3,786,172	3,786,172	-	-	-	-
Equity	79,440	79,440	-	-	-	-
Derivative financial instruments	24,831,145	-	24,831,145	-	-	-
Loans and advances to banks	55,776,837	145,085	55,631,752	-	-	-
Loans and advances to customers	-			-		
Auto Loan	3,186,276	3,186,276	-	-	-	-
Credit Card	1,836,831	260,850	1,575,728	253	-	-
Finance Lease	2,462,537	1,354,013	1,108,524	-	-	-
Mortgage Loan	3,696,196	3,645,130	51,066	-	-	-
Overdraft	220,076,668	196,679,153	23,392,838	2,256	2,421	-
Personal Loan	6,771,929	6,531,859	240,070	-	-	-
Term Loan	507,949,921	244,883,197	263,066,724	-	-	-
Time Loan	273,928,490	111,981,927	160,817,986	47,893	957,015	123,669
Pledged assets						
Treasury bills	13,236,528	13,236,528	-	-	-	-
Bonds	71,946,825	71,946,825	-	-	-	-
Investment securities						
Available for sale						
Treasury bills	61,656,952	61,656,952	-	-	-	-
Bonds	45,543,884	37,193,593	8,350,291	-	-	-
Equity	45,052,274	45,052,274	-	-	-	-
Held to Maturity						
Treasury bills	15,963,009	15,963,009	-	-	-	-
Bonds	57,921,864	56,964,979	956,885	-	-	-
Other assets	30,513,159	25,625,988	4,851,490	29,966	4,962	753
	1,821,937,848	**1,262,154,148**	**552,039,049**	**2,299,036**	**4,662,274**	**783,341**
Deposits from financial institutions	134,509,662	-	133,632,208	47,968	711,685	117,801
Deposits from customers	1,324,800,611	944,366,864	370,580,896	5,897,079	3,955,772	-
Derivative financial instruments	1,737,791	-	1,737,791	-	-	-
Other liabilities	15,578,189	8,613,010	5,501,180	333,528	1,130,471	-
Debt securities issued	73,155,391	-	73,155,391	-	-	-
Interest bearing borrowings	146,345,767	31,391,634	114,954,133	-	-	-
	1,696,127,411	984,371,508	699,561,599	6,278,575	5,797,928	117,801
Off balance sheet exposuress						
Transaction related bonds and guarantees	145,831,160	110,544,517	34,846,673	349,724	90,246	-
Guaranteed facilities	72,221,845	23,316,732	30,892,720	-	17,954,443	57,950
Clean line facilities for letters of credit and other commitments	372,652,653	31,382	366,851,692	356,957	5,353,943	58,679
	590,705,658	133,892,631	432,591,085	706,681	23,398,632	116,629

Financial instruments by currency

Bank **31 December 2013**	**Total**	**Naira**	**US $**	**GBP**	**Euro**	**Others**
Cash and balances with banks	395,808,747	259,896,634	122,464,877	5,868,743	7,167,728	410,765
Non-pledged trading assets						
Treasury bills	2,370,725	2,370,725	-	-	-	-
Bonds	1,402,326	1,402,326	-	-	-	-
Equity	104,918	104,918	-	-	-	-
Derivative Financial Instruments	72,675	-	72,675	-	-	-
Loans and advances to banks	13,048,651	345,445	12,703,206	-	-	-
Loans and advances to customers						
Auto Loan	1,764,793	1,764,793	-	-	-	-
Credit Card	1,545,685	105,219	1,440,181	285	-	-
Finance Lease	1,708,082	1,708,082	-	-	-	-
Mortgage Loan	3,752,849	3,752,849	-	-	-	-
Overdraft	141,574,814	131,873,468	9,526,196	77,909	97,241	-
Personal Loan	1,578,372	1,570,157	8,215	-	-	-
Term Loan	405,729,478	285,377,241	120,352,237	-	-	-
Time Loan	177,646,668	30,513,576	143,847,177	32,808	3,208,716	44,391
Pledged assets						
Treasury bills	4,712,475	4,712,475	-	-	-	-
Bonds	58,635,348	58,635,348	-	-	-	-
Investment securities						
- Available for sale						
Treasury bills	119,864,079	119,864,079	-	-	-	-
Bonds	9,509,116	1,996,897	7,512,219	-	-	-
Equity	39,231,797	39,231,797	-	-	-	-
- Held to Maturity						
Treasury bills	-	-	-	-	-	-
Bonds	140,466,810	140,466,810	-	-	-	-
Other assets	37,705,436	21,729,379	10,979,145	20,951	2,578,707	2,397,254
	1,558,233,844	**1,107,422,218**	**428,906,128**	**6,000,696**	**13,052,392**	**2,852,410**
Deposits from financial institutions	61,295,352	7,161,530	52,766,940	355,836	962,600	48,446
Deposits from customers	1,217,176,792	933,913,283	269,649,902	6,666,809	6,946,406	392
Other liabilities	50,881,253	29,804,239	12,186,448	308,107	6,317,073	2,265,386
Interest bearing borrowings	120,342,026	38,247,211	82,094,815	-	-	-
	1,449,695,423	**1,009,126,263**	**416,698,105**	**7,330,752**	**14,226,079**	**2,314,224**
Off balance sheet exposuress						
Transaction related bonds and guarantees	142,850,060	108,458,868	34,068,343	-	322,849	-
Guaranteed facilities	46,956,539	21,442,945	6,904,547	-	18,609,047	-
Clean line facilities for letters of credit and other commitments	162,171,919	-	154,854,385	64,778	5,609,545	1,643,211
	351,978,518	**129,901,813**	**195,827,275**	**64,778**	**24,541,441**	**1,643,211**

Liquidity risk management
The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

The amounts in the table below have been compiled as follows:

Type of financial instrument	Basis on which amounts are compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts, and unrecognised loan commitments	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets held for risk management purposes	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g. forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.
Trading derivative liabilities and assets forming part of the Group's proprietary trading operations that are expected to be closed out before contractual maturity	Fair values at the date of the statement of financial position. This is because contractual maturities are not reflective of the liquidity risk exposure arising from these positions. These fair values are disclosed in the 'less than one month' column.
Trading derivative liabilities and assets that are entered into by the Group with its customers	Contractual undiscounted cash flows. This is because these instruments are not usually closed out before contractual maturity and so the Group believes that contractual maturities are essential for understanding the timing of cash flows associated with these derivative positions.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. For example, demand deposits from customers are expected to remain stable or increase and unrecognised loan commitments are not all expected to be drawn down immediately. As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising Cash and balances with banks, and debt securities issued by federal government, which can be readily sold to meet liquidity requirements.
In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets eligible for use as collateral.

5.3.1 Residual contractual maturities of financial assets and liabilities

Group **31 December 2014**	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
In thousands of Naira							
Cash and balances with banks	405,014,793	405,014,793	147,422,860	-	-	-	257,591,933
Non-pledged trading assets							
Treasury bills	24,546,032	25,710,426	18,445,882	1,426,320	5,838,224	-	
Bonds	3,786,172	4,430,376	45,694	3,701,616	53,244	629,822	-
Derivative financial instruments	24,866,681	24,866,681	11,123,891	2,364,449	11,378,341	-	-
Loans and advances to banks	12,435,659	12,565,313	26,149	12,539,164	-	-	-
Loans and advances to customers							
Auto Loan	3,195,795	3,236,214	17,178	37,150	117,316	3,064,570	-
Credit Card	1,919,130	1,953,708	1,865,557	-	14,993	73,158	-
Finance Lease	2,732,767	2,752,076	251,990	164,902	41,782	2,293,402	-
Mortgage Loan	4,408,740	4,471,262	-	72,101	122,572	1,097,538	3,179,051
Overdraft	249,410,182	261,418,928	191,403,273	32,588,846	37,400,530	26,279	-
Personal Loan	8,099,089	8,195,721	364,621	449,882	690,771	6,596,360	94,087
Term Loan	539,981,932	545,406,009	87,109,939	31,739,205	22,388,605	274,224,727	129,943,533
Time Loan	300,716,807	302,013,620	210,045,048	39,717,240	48,458,630	3,791,933	769
Pledged assets							
Treasury bills	15,125,322	15,771,114	10,950,000	2,260,000	2,561,114	-	-
Bonds	71,946,825	142,341,219	-	2,960,901	2,960,902	23,687,212	112,732,204
Investment securities							
Available for sale							
Treasury bills	92,046,032	63,782,166	16,303,382	43,575,593	3,903,191	-	-
Bonds	47,749,378	51,218,215	100,608	38,012,504	406,262	12,631,528	67,313
Held to Maturity							
Treasury bills	23,495,446	16,528,059	4,507,169	11,628,437	392,453	-	-
Bonds	61,833,110	83,995,499	1,187,545	10,518,762	3,817,009	47,754,306	20,717,877
Other assets	36,030,750	36,030,750	22,966,686	-	13,064,064	-	-
	1,929,340,642	**2,011,702,149**	**724,137,472**	**233,757,072**	**153,610,003**	**375,870,835**	**524,326,767**
Deposits from financial institutions	119,045,423	120,289,784	120,205,261	84,523	-	-	-
Deposits from customers	1,454,419,052	1,463,332,471	1,350,067,610	50,697,481	62,567,380	-	-
Derivative financial instruments	1,989,662	1,989,662	1,989,662	-	-	-	-
Other liabilities	20,201,802	20,201,802	14,828,024	5,373,778	-	-	-
Debt securities issued	138,481,179	196,231,586	-	3,441,925	5,831,737	102,212,149	84,745,775
Interest bearing borrowings	79,816,309	86,584,834	1,644,011	1,955,389	4,482,437	66,614,293	11,888,704
	1,813,953,427	**1,888,630,139**	**1,488,734,568**	**61,553,096**	**72,881,554**	**168,826,442**	**96,634,479**
Gap (asset - liabilities)	115,387,215	123,072,010	(764,597,096)	172,203,976	80,728,449	207,044,393	427,692,288
Cumulative liquidity gap							
Off-balance sheet							
Transaction related bonds and guarantees	165,466,393	165,466,393	23,327,259	12,814,843	22,637,392	24,843,233	81,843,666
Guaranteed facilities	91,373,327	91,373,327	11,956,469	11,175,156	24,614,114	14,968,793	28,658,795
Clean line facilities for letters of credit and other commitments	377,152,396	377,152,396	216,360,947	95,953,913	64,729,400	108,136	-
	633,992,116	**633,992,117**	**251,644,675**	**119,943,912**	**111,980,906**	**39,920,162**	**110,502,461**

Group **31 December 2013**	**Carrying amount**	**Gross nominal inflow/(outflow)**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	439,459,541	439,459,541	264,639,659	1,097,783	1,315,801	-	172,406,298
Non-pledged trading assets							
Treasury bills	2,370,725	2,555,561	1,252,097	365,520	937,944	-	-
Bonds	1,402,326	2,558,653	164,479	50,953	101,906	921,589	1,319,726
Derivative financial instruments	102,123	102,123	102,123	-	-	-	-
Loans and advances to banks	24,579,875	26,753,256	8,437,494	9,571,785	7,429,123	775,308	539,546
Loans and advances to customers							
Auto Loan	1,821,130	1,828,951	299,962	2,885	62,293	1,463,811	-
Credit Card	1,545,685	1,552,324	1,552,324	-	-	-	-
Finance Lease	2,138,177	2,147,361	521,119	46,610	118,975	1,460,657	-
Mortgage Loan	3,811,569	3,827,939	526,971	-	5,777	420,430	2,874,761
Overdraft	162,586,492	162,586,493	102,852,700	26,499,223	27,689,687	2,502,240	3,042,643
Personal Loan	3,154,373	3,167,920	2,215,365	1,232	30,826	917,810	2,687
Term Loan	426,826,185	428,659,286	60,588,364	44,364,987	30,283,286	78,340,565	215,082,084
Time Loan	184,286,092	185,077,549	163,042,018	16,934,205	4,876,085	224,358	883
Pledged assets							
Treasury bills	4,774,503	4,821,114	4,821,114				
Bonds	58,635,348	95,274,885	1,211,788	1,211,788	2,423,577	12,762,012	77,665,720
Investment securities							
Available for sale							
Treasury bills	140,780,793	144,205,491	64,477,406	55,709,964	24,018,121	-	-
Bonds	9,847,556	11,783,984	810,784	812,811	1,621,569	8,538,820	-
Held to Maturity							
Treasury bills	17,503,150	20,765,062	1,322,853	17,157,708	2,284,501	-	-
Bonds	146,448,052	206,855,706	8,394,537	10,865,499	64,981,475	63,115,455	59,498,740
Other assets	43,214,300	43,214,299	37,433,733	-	5,780,566	-	-
	1,675,287,995	**1,787,197,498**	**724,666,890**	**184,692,953**	**173,961,512**	**171,443,055**	**532,433,088**
Deposits from financial institutions	72,147,956	72,257,135	55,496,033	12,608,327	4,152,775	-	-
Deposits from customers	1,331,418,659	1,333,474,753	848,190,371	133,482,680	348,933,912	2,416,093	451,697
Derivative financial instruments	32,955	32,955	32,955	-	-	-	-
Other liabilities	54,706,413	54,706,413	50,437,954	4,268,459	-	-	-
Debt securities issued	55,828,248	81,846,186	-	2,389,812	4,779,625	74,676,749	-
Interest bearing borrowings	64,338,982	80,283,463	4,560,709	2,077,505	8,150,902	41,740,259	23,754,088
	1,578,473,213	**1,622,600,905**	**958,718,022**	**154,826,783**	**366,017,214**	**118,833,101**	**24,205,785**
Gap (asset - liabilities)	96,814,782	164,596,593	(234,051,132)	29,866,171	(192,055,701)	52,609,954	508,227,303
Cumulative liquidity gap			(234,051,132)	(204,184,961)	(396,240,662)	(343,630,708)	164,596,595
Off -balance sheet							
Transaction related bonds and guarantees	158,715,258	158,715,258	36,391,163	21,880,870	13,727,023	24,498,529	62,217,673
Guaranteed facilities	54,741,356	54,741,356	27,078,764	6,572,665	10,309,368	4,610,667	6,169,892
Clean line facilities for letters of credit and other commitments	228,957,302	228,957,302	152,715,496	47,959,692	27,919,468	362,646	-
	442,413,916	**442,413,916**	**216,185,423**	**76,413,227**	**51,955,859**	**29,471,842**	**68,387,565**

5.3.1 Residual contractual maturities of financial assets and liabilities

Bank 31 December 2014 *In thousands of Naira*	Carrying amount	Gross nominal inflow/outflow	Less than 3 months	6 months	12 months	5 years	More than 5 years
Cash and balances with banks	351,174,879	351,174,879	95,571,518	-	-	-	255,603,361
Non-pledged trading assets							
Treasury bills	24,546,032	25,710,426	18,445,882	1,426,320	5,838,224	-	-
Bonds	3,786,172	5,040,127	45,694	3,701,616	53,244	629,823	609,750
Derivative financial instruments	24,831,145	24,831,145	11,123,891	2,328,913	11,378,341	-	-
Loans and advances to banks	55,776,837	55,882,570	9,315,720	18,681,814	27,885,036	-	-
Loans and advances to customers							
Auto Loan	3,186,276	3,226,646	16,126	34,758	113,010	3,062,752	-
Credit Card	1,836,831	1,870,919	1,782,768	-	14,993	73,158	-
Finance Lease	2,462,536	2,480,457	170,505	96,997	1,039	2,211,916	-
Mortgage Loan	3,696,197	3,750,249	-	-	-	895,654	2,854,595
Overdraft	220,050,668	230,582,559	182,460,726	20,562,662	27,532,892	26,279	-
Personal Loan	6,771,929	6,865,010	98,479	63,976	238,329	6,370,139	94,087
Term Loan	507,949,921	513,183,052	83,887,643	26,905,761	14,332,866	269,391,284	118,665,498
Time Loan	273,954,489	274,956,092	204,633,543	31,599,981	34,929,866	3,791,933	769
Pledged assets							
Treasury bills	13,236,528	13,771,114	8,950,000	2,260,000	2,561,114	-	-
Bonds	71,946,825	142,341,219	-	2,960,902	2,960,902	23,687,212	112,732,204
Investment securities							
Available for sale							
Treasury bills	61,656,952	63,782,166	16,303,382	43,575,593	3,903,191	-	-
Bonds	45,543,884	51,218,215	100,608	38,012,504	406,262	12,631,528	67,313
Held to Maturity							
Treasury bills	15,963,009	16,528,059	4,507,169	11,628,437	392,453	-	-
Bonds	57,921,864	83,995,499	1,187,545	10,518,762	3,817,009	47,754,306	20,717,877
Other assets	30,513,159	30,513,159	19,898,971	-	10,614,188	-	-
	1,776,806,133	**1,901,703,562**	**658,500,169**	**214,358,997**	**146,972,958**	**370,525,984**	**511,345,455**
Deposits from financial institutions	134,509,662	135,915,668	135,820,165	95,503	-	-	-
Deposits from customers	1,324,800,611	1,332,919,663	1,230,872,383	45,045,689	57,001,592	-	-
Derivative financial instruments	1,737,791	1,737,791	1,737,791	-	-	-	-
Other liabilities	15,678,189	15,678,189	14,488,882	1,189,307	-	-	-
Debt securities issued	73,155,391	119,165,025	-	3,441,925	3,441,925	27,535,400	84,745,775
Interest bearing borrowings	146,345,767	158,756,077	3,014,348	3,585,269	8,218,692	122,139,447	21,798,322
	1,696,227,411	1,764,172,413	1,385,933,569	53,357,693	68,662,209	149,674,847	106,544,097
Gap (asset - liabilities)	80,578,722	137,531,149	(727,433,400)	161,001,304	78,310,749	220,851,137	404,801,358
Cumulative liquidity gap			(727,433,400)	(566,432,096)	(488,121,348)	(267,270,211)	137,531,147
Off balance-sheet							
Transaction related bonds and guarantees	145,831,160	145,831,160	14,923,004	8,079,588	16,163,390	24,821,512	81,843,666
Guaranteed facilities	72,221,845	72,221,845	5,031,916	4,173,263	22,786,732	12,044,944	28,184,990
Clean line facilities for letters of credit and other commitments	372,652,653	372,652,653	215,874,910	92,822,023	63,847,583	108,136	-
	590,705,658	**590,705,658**	**235,829,830**	**105,074,874**	**102,797,705**	**36,974,592**	**110,028,656**

Bank **31 December 2013**	**Carrying amount**	**Gross nominal inflow/outflow**	**Less than 3 months**	**6 months**	**12 months**	**5 years**	**More than 5 years**
Cash and balances with banks	395,808,747	395,808,747	223,864,210	-	-	-	171,944,537
Non-pledged trading assets							
Treasury bills	2,370,725	2,496,849	1,193,385	365,520	937,944	-	-
Bonds	1,402,326	2,558,653	164,479	50,953	101,906	921,589	1,319,726
Equity	104,918	104,918	104,918	-	-	-	-
Derivative Financial Instruments	72,675	72,675	72,675	-	-	-	-
Loans and advances to banks	13,048,651	13,442,287	50,160	8,237,533	4,031,688	1,122,906	-
Loans and advances to customers							
Auto Loan	1,764,794	1,778,550	362,233	2,885	62,293	1,351,139	-
Credit Card	1,545,685	1,557,734	1,557,734	-	-	-	-
Finance Lease	1,703,834	1,721,397	95,155	46,610	118,975	1,460,657	-
Mortgage Loan	3,757,096	3,782,103	481,135	-	5,777	420,430	2,874,761
Overdraft	141,573,329	141,574,414	87,065,774	26,803,445	25,955,198	1,749,997	-
Personal Loan	1,579,856	1,590,675	638,120	1,232	30,826	917,810	2,687
Term Loan	405,729,479	409,995,783	62,965,232	36,521,502	25,310,765	70,116,200	215,082,084
Time Loan	177,646,668	179,031,849	156,996,318	16,934,205	4,876,085	224,358	883
Pledged assets							
Treasury bills	4,712,475	4,821,114	4,821,114	-	-	-	-
Bonds	58,635,348	95,274,885	1,211,788	1,211,788	2,423,577	12,762,012	77,665,720
Investment securities							
- Available for sale							
Treasury bills	119,864,078	129,097,999	63,188,551	35,315,053	30,594,395	-	-
Bonds	9,847,556	11,783,984	810,784	812,811	1,621,569	8,538,820	-
- Held to Maturity							
Treasury bills	-	-	-	-	-	-	-
Bonds	140,466,810	148,648,100	1,950,000	3,200,000	65,641,306	19,029,507	58,827,287
Other assets	37,705,436	37,705,436	31,924,870	-	5,780,566	-	-
	1,519,340,486	**1,582,848,152**	**639,518,635**	**129,503,537**	**167,492,870**	**118,615,425**	**527,717,685**
Deposits from financial institutions	61,295,352	61,376,623	57,097,580	4,127,708	151,335	-	-
Deposits from customers	1,217,176,792	1,218,851,031	786,275,557	95,890,264	336,056,653	176,860	451,697
Other liabilities	50,881,124	50,881,254	46,936,863	3,944,391	-	-	-
Interest bearing borrowings	120,342,026	135,088,313	4,528,997	2,000,692	8,118,102	97,213,926	23,226,596
	1,449,695,294	**1,466,197,221**	**894,838,997**	**105,963,055**	**344,326,090**	**97,390,786**	**23,678,293**
Gap (asset - liabilities)	69,645,192	116,650,930	(255,320,362)	23,540,482	(176,833,220)	21,224,639	504,039,392
Cumulative liquidity gap			(255,320,362)	(231,779,880)	(408,613,101)	(387,388,462)	116,650,929
Off balance-sheet engagements							
Transaction related bonds and guarantees	142,850,060	142,850,060	35,654,495	19,902,373	9,308,603	17,184,986	60,799,603
Guaranteed facilities	46,956,539	46,956,539	23,313,012	5,179,053	7,683,916	4,610,667	6,169,891
Clean line facilities for letters of credit and other commitments	162,171,919	162,171,919	114,338,950	23,663,555	23,806,768	362,646	-
	351,978,518	**351,978,518**	**173,306,457**	**48,744,981**	**40,799,287**	**22,158,299**	**66,969,494**

5.3.2 Financial instruments below and above 1 year's maturity

	December 2014			December 2013		
Group	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
In thousands of Naira						
Cash and balances with banks	147,422,860	257,591,933	**405,014,793**	267,053,244	172,406,297	**439,459,541**
Non pledged trading assets						
Treasury bills	24,546,032	-	**24,546,032**	2,370,725	-	**2,370,725**
Bonds	3,515,700	270,472	**3,786,172**	25,935	1,376,391	**1,402,326**
Derivative financial instruments	24,866,681	-	**24,866,681**	102,123	-	**102,123**
Loans and advances to banks	12,435,659		**12,435,659**	20,921,683	3,658,192	**24,579,875**
Loans and advances to customers						
Auto Loan	169,509	3,026,286	**3,195,795**	413,655	1,407,475	**1,821,130**
Credit Card	1,847,002	72,128	**1,919,130**	1,545,685	-	**1,545,685**
Finance Lease	454,960	2,277,807	**2,732,767**	247,425	1,890,752	**2,138,177**
Mortgage Loan	192,387	4,216,353	**4,408,741**	457,658	3,353,911	**3,811,569**
Overdraft	249,389,815	20,366	**249,410,181**	160,836,496	1,749,997	**162,586,493**
Personal Loan	1,497,008	6,602,081	**8,099,089**	58,269	3,096,103	**3,154,372**
Term Loan	140,806,230	399,175,702	**539,981,932**	133,403,536	293,422,649	**426,826,185**
Time Loan	296,925,761	3,791,047	**300,716,808**	177,277,498	7,008,594	**184,286,092**
Pledged assets						
Treasury bills	15,125,322	-	**15,125,322**	4,774,503	-	**4,774,503**
Bonds	-	71,946,825	**71,946,825**	-	58,635,348	**58,635,348**
Investment securities						
Available for sale						
Treasury bills	92,046,032	-	**92,046,032**	140,780,793	-	**140,780,793**
Bonds	36,407,716	11,341,662	**47,749,378**	-	9,847,556	**9,847,556**
Held to Maturity						
Treasury bills	23,495,446	-	**23,495,446**	17,503,150	-	**17,503,150**
Bonds	9,473,538	52,359,572	**61,833,110**	10,431,148	136,016,904	**146,448,052**
Other assets	36,030,750	-	**36,030,750**	43,214,300	-	**43,214,300**
	1,116,648,408	**812,692,234**	**1,929,340,643**	**981,417,826**	**693,870,169**	**1,675,287,995**
Deposits from financial institutions	119,045,423	-	**119,045,423**	72,147,956	-	**72,147,956**
Deposits from customers	1,308,794,239	145,624,813	**1,454,419,052**	1,328,550,869	2,867,790	**1,331,418,659**
Derivative financial instruments	1,989,662	-	**1,989,662**	32,955	-	**32,955**
Debt securities issued	-	138,481,179	**138,481,179**	-	55,828,248	**55,828,248**
Current tax liabilities	8,180,969	-	**8,180,969**	6,899,558	-	**6,899,558**
Other liabilities	20,201,802	-	**20,201,802**	54,706,413	-	**54,706,413**
Interest-bearing borrowings	10,898,495	68,917,814	**79,816,309**	14,789,115	49,549,867	**64,338,982**
	1,469,110,590	**353,023,806**	**1,822,134,396**	**1,477,126,866**	**108,245,905**	**1,585,372,771**

Bank	December 2014			December 2013		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
In thousands of Naira						
Cash and balances with banks	95,571,518	255,603,361	**351,174,879**	223,864,210	171,944,537	**395,808,747**
Non pledged trading assets						
Treasury bills	24,546,032	-	**24,546,032**	2,370,725	-	**2,370,725**
Bonds	3,786,172	-	**3,786,172**	25,935	1,376,391	**1,402,326**
Derivative financial instruments	24,831,145	-	**24,831,145**	72,675	-	**72,675**
Loans and advances to banks	55,653,199	123,638	**55,776,837**	11,925,744	1,122,907	**13,048,651**
Loans and advances to customers	-	-	**-**			
Auto Loan	161,799	3,024,477	**3,186,276**	413,655	1,351,139	**1,764,793**
Credit Card	1,764,703	72,128	**1,836,831**	1,545,685	-	**1,545,685**
Finance Lease	265,798	2,196,738	**2,462,536**	247,425	1,460,657	**1,708,082**
Mortgage Loan	-	3,696,197	**3,696,197**	457,658	3,295,191	**3,752,849**
Overdraft	220,056,303	20,366	**220,076,669**	140,424,422	1,749,997	**142,174,419**
Personal Loan	395,466	6,376,463	**6,771,929**	58,269	920,497	**978,766**
Term Loan	124,790,224	383,159,697	**507,949,921**	120,531,194	285,198,284	**405,729,478**
Time Loan	270,137,443	3,791,046	**273,928,489**	177,421,426	225,242	**177,646,668**
Pledged assets						
Treasury bills	13,236,528	-	**13,236,528**	4,712,475	-	**4,712,475**
Bonds	-	71,946,825	**71,946,825**	4,955,792	53,679,556	**58,635,348**
Investment securities						
Available for sale						
Treasury bills	61,656,952	-	**61,656,952**	119,864,079	-	**119,864,079**
Bonds	36,407,716	9,136,168	**45,543,884**	-	9,509,116	**9,509,116**
Held to Maturity						
Treasury bills	15,963,009	-	**15,963,009**	-	-	**-**
Bonds	9,473,539	48,448,325	**57,921,864**	10,431,148	130,035,662	**140,466,810**
Other assets	30,513,159	-	**30,513,159**	37,705,436	-	**37,705,436**
	989,210,703	**787,595,430**	**1,776,806,133**	**857,027,954**	**661,869,176**	**1,518,897,130**
Deposits from financial institutions	134,509,662	-	**134,509,662**	61,295,352	-	**61,295,352**
Deposits from customers	1,324,500,611	300,000	**1,324,800,611**	1,216,548,236	628,557	**1,217,176,793**
Derivative financial instruments	1,737,791	-	**1,737,791**	-	-	**-**
Debt securities issued	6,883,850	66,271,541	**73,155,391**	-	-	**-**
Current tax liabilities	7,113,226	-	**7,113,226**	6,075,590	-	**6,075,590**
Other liabilities	15,678,189	-	**15,678,189**	50,881,254	-	**50,881,254**
Interest-bearing borrowings	11,573,248	134,772,519	**146,345,767**	14,647,791	105,694,235	**120,342,026**
	1,501,996,577	**201,344,060**	**1,703,340,637**	**1,349,448,223**	**106,322,792**	**1,455,771,015**

Capital management

The Bank’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of the statement of financial position, are:
i) To comply with the capital requirements set by the Central Bank;
ii) To safeguard the Bank’s ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
iii) To maintain a strong capital base to support the development of its business.

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 16% (15% + additional 1%) is to be maintained for deposit money banks designated as significant financial institutions. Following the CBN guideline on regulatory capital computation, the Regulatory Risk Reserve has been excluded from the capital computation. Standardised approach has been adopted in computing the risk weighted assets for Credit, Operetional, and Market Risk. The following table provides an overview of the development of the capital ratios and risk-weighted assets (RWA):

The regulatory capital requirements are strictly observed when managing capital. The Bank’s regulatory capital is managed by its Bank Treasury and comprises two tiers:
- Tier 1 capital: share capital, share premium, retained earnings and other reserves, and
- Tier 2 capital: unrealised gains arising on the fair valuation of equity instruments held as available-for-sale and foreign currency translation reserves with adjustments for deferred tax assets, intangibles and investments in subsidiaries.

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Tier 1 capital				
Ordinary share capital	11,441,460	11,441,460	11,441,460	11,441,460
Share premium	161,036,211	161,036,211	161,036,211	161,036,211
Retained earnings	34,139,453	22,232,374	36,499,779	23,095,393
Other reserves	67,262,761	48,003,894	65,178,336	49,608,934
Non-controlling interests	3,530,843	1,768,110	-	-
	277,410,728	**244,482,049**	**274,155,786**	**245,181,998**
Add/(Less):				
Fair value reserve for available-for-sale	(9,881,402)	(6,237,939)	(9,833,418)	(6,262,140)
Foreign Currency Translational reserves	3,710,648	4,815,485	-	-
Other reserves	(295,419)	(112,783)	(295,419)	(112,783)
Total Tier 1	**270,944,556**	**242,946,812**	**264,026,949**	**238,807,075**
Add/(Less):				
50% Investments in subsidiaries	-	-	(20,060,286)	(19,014,996)
Deferred tax assets	(10,881,984)	(10,687,635)	(10,128,537)	(9,847,853)
Regulatory risk reserve	(21,205,031)	(13,074,748)	(17,001,981)	(11,177,662)
Intangible assets	(5,592,991)	(3,659,072)	(4,436,814)	(2,661,553)
Adjusted Tier 1	**233,264,550**	**215,525,357**	**212,399,332**	**196,105,011**
Tier 2 capital				
Debt securities issued	66,853,428	-	66,006,738	-
Fair value reserve for available-for-sale securities	9,881,402	6,237,939	9,833,418	6,262,140
Foreign currency translational reserves	(3,710,648)	(4,815,485)	-	-
Other reserves	295,419	112,783	295,419	112,783
50% Investments in subsidiaries	-	-	(20,060,286)	(19,014,996)
Total Tier 2	**73,319,601**	**1,535,237**	**56,075,289**	**(12,640,073)**
Total regulatory capital	**306,584,151**	**217,060,594**	**268,474,620**	**183,464,938**
Risk-weighted assets	**1,686,979,582**	**1,209,463,253**	**1,560,034,376**	**1,096,697,585**
Capital ratios				
Total regulatory capital expressed as a percentage of total risk-weighted assets	18%	18%	17%	17%
Total tier 1 capital expressed as a percentage of risk-weighted assets	14%	18%	14%	18%

7a Operating segments

The Group has four reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services, and are managed separately based on the Group’s management and internal reporting structure. For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis. The Group presents segment information to its Executive Committee, which is the Group’s Chief Operating Decision Maker, based on International Financial Reporting Standards.

Basing on the market segment and extent of customer turnover, the group reformed the arrangement of segments from previous years into four operational segments as described below;

- **Corporate and Investment Banking -** The division provides bespoke comprehensive banking products and a full range of services to multinationals, large domestic corporates and other institutional clients. The division focuses on customers in key industry sector with minimum annual turnover of N20Billion. It also provides innovative finance solutions to meet the short, medium and long-term financing needs for the Bank’s clients as well as relationship banking services to the Bank's financial institutions 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 non-institutional clients, medium and small corporate segments of the Nigerian market whose annual turnover is above N1bn. The division also provides financial services to public sector, commercial institutions and oriental corporates.

- **Personal banking** – The personal banking division is the retail arm of the bank which provides financial products and services to individuals (personal and inclusive segments) and private banking segment. The private banking segment focuses on offering bespoke services to High Net worth Individuals (HNI) and Ultra High Net worth Individuals (UHNI) by handling their wealth portfolio needs both locally and abroad. The division provides financial solutions across various channels (ATM, Mobile banking, etc) and platforms.

- **Business Banking** - The Business banking division is a hybrid of Commercial and Personal Banking Divisions. It focuses on small and medium scale enterprises providing them with business solutions to support their growing business needs. The division delivers commercial banking products and services to SME customers with annual turnover of less than 1billion.

Operating segments

Total revenue in the segments represents; Interest Income, Fees and Commission Income, Net gains on Financial Instruments held for trading, Foreign Exchange income, Other Operating Income and Fair Value Gains on Investment Propoerty.

Unallocated Segments represents all other transactions than are outside the normal course of business and can not be directly related to a specific segment financial information.
Thus, in essence, unallocated segments reconcile segment balances to group balances. Material items comprising total assets and total liabilities of the unallocated segments have been outlined below;

Material total assets and liabilities	**Group December 2014**	**Group December 2013**
In thousands of Naira		
Other assets	56,310,620	52,019,723
Investments in equity accounted investee	-	3,623,326
Investment properties	-	23,974,789
Derivative financial instruments	24,866,681	102,123
Deferred tax (net)	10,881,984	10,687,635
Assets held for sale	23,438,484	2,847,740
Total assets	**115,497,769**	**93,255,336**
Derivative financial instruments	1,989,662	32,955
Other liabilities	21,689,079	56,847,216
Debt securities issued	138,481,179	55,828,248
Interest-bearing borrowings	79,816,309	64,338,982
Deferred tax liabilities	59,038	37,861
Retirement benefit obligations	3,269,100	1,933,021
Total liabilities	**245,304,367**	**179,018,283**

Material revenue and expenses	**Group December 2014**	**Group December 2013**
Revenue derived from external customers		
Fair value gain on Investment property	-	4,850,286
Fair value gain on assets held for sale	750,000	-
	750,000	**4,850,286**
Interest expense		
Interest expense on Eurobond	(8,768,860)	(4,021,979)

7a Operating segments (Continued)

31 December 2014

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated Segments	Total Continuing Operations	Discontinued Operations	Total
Revenue:								
Derived from external customers	95,219,332	95,326,092	18,563,990	35,358,155	750,000	245,217,569	51,003	245,268,572
Derived from other business segments	(1,466)	313	750	403	-	-	-	-
Total Revenue	95,217,866	95,326,405	18,564,740	35,358,558	750,000	245,217,569	51,003	245,268,572
Interest expenses	(27,281,898)	(28,863,962)	(5,632,460)	(6,353,900)	(8,768,860)	(76,901,080)	-	(76,901,080)
Profit/(Loss) on ordinary activities before taxation	35,657,154	31,039,955	(9,145,850)	2,489,891	(8,018,860)	52,022,290	(87,267)	51,935,023
Share of profit from associate							-	-
Income tax expense						(8,958,811)	-	(8,958,811)
Pre-tax loss on re-measurement of assets of disposal group							-	-
Profit after tax						43,063,479	(87,267)	42,976,212
Other segment information:								
Depreciation and amortisation	(5,115,004)	(3,796,657)	(199,957)	(126,555)	-	(9,238,173)	-	(9,238,173)
Impairment charge for the year/(allowance no longer required)	(5,282,414)	(3,485,412)	(1,826,906)	(344,517)	(713,022)	(11,652,271)	-	(11,652,271)
Assets and liabilities:								
Tangible segment assets	1,043,884,995	849,266,149	46,299,060	49,412,565	-	1,988,862,769	-	1,988,862,769
Unallocated segment assets	-	-	-	-	115,497,770	115,497,770	-	115,497,770
Total assets	1,043,884,995	849,266,149	46,299,060	49,412,565	115,497,770	2,104,360,539	-	2,104,360,539
Segment liabilities	316,821,648	701,564,665	192,116,217	371,142,914	-	1,581,645,444	-	1,581,645,444
Unallocated segment liabilities					245,304,367	245,304,367	-	245,304,367
Total liabilities	316,821,648	701,564,665	192,116,217	371,142,914	245,304,367	1,826,949,811	-	1,826,949,811
Net assets	727,063,347	147,701,485	(145,817,157)	(321,730,348)	(129,806,597)	277,410,729		

Operating segments (Continued)
Information about operating segments

31 December 2013

In thousands of Naira	Corporate & Investment Banking	Commercial Banking	Business Banking	Personal Banking	Unallocated segments	Total continuing operations	Discontinued operations	Total N'000
Revenue:								
Derived from external customers	57,716,244	85,880,717	16,793,961	41,730,181	4,770,116	206,891,219	5,730,405	212,621,624
Derived from other business segments	(1,635,281)	666,325	314,719	654,237	-	-	-	-
Total Revenue	56,080,963	86,547,042	17,108,680	42,384,418	4,770,116	206,891,219	5,730,405	212,621,624
Interest expenses	(29,343,182)	(24,742,433)	(4,506,681)	(5,623,112)	(4,021,979)	(68,237,387)	(229,392)	(68,466,779)
Profit/(Loss) on ordinary activities before taxation	18,126,148	25,831,334	(5,027,266)	3,852,238	748,137	43,530,591	265,760	43,796,351
Income tax expense						(7,498,759)	(47,152)	(7,545,911)
Pre-tax loss on re-measurement of assets of disposal group								-
Profit after tax						36,031,832	218,608	36,250,440
Other segment information:								
Depreciation and amortisation	(4,791,720)	(3,420,153)	(227,707)	(253,632)	(21,332)	(8,714,544)	(75,929)	(8,790,473)
Assets and liabilities:								
Tangible segment assets	969,785,577	720,137,802	37,927,258	24,004,593	83,610,770	1,835,466,000	55,750,624	1,891,216,624
Unallocated segment assets	-	-	-	-	-	-	-	-
Total assets	969,785,577	720,137,802	37,927,258	24,004,593	83,610,770	1,835,466,000	55,750,624	1,891,216,624
Segment liabilities	337,567,545	693,660,138	148,902,642	289,378,204	121,475,421	1,590,983,950	37,293,229	1,628,277,179
Unallocated segment liabilities	-	-						-
Total liabilities	337,567,545	693,660,138	148,902,642	289,378,204	121,475,421	1,590,983,950	37,293,229	1,628,277,179
								-
Net assets	632,218,032	26,477,664	(110,975,384)	(265,373,611)	(37,864,651)	244,482,050	18,457,395	262,939,445

7b Geographical segments

The Group operates in three geographic regions, being:

- Nigeria
- Rest of Africa
- Europe

31 December 2014 *In thousands of Naira*	**Nigeria**	**Rest of Africa**	**Europe**	**Total Continuing Operations**	**Discontinued Operations**	**Total**
Derived from external customers	206,943,083	28,927,880	9,346,606	245,217,569	51,003	245,268,572
Derived from other segments	-	-	-	-	-	-
Total Revenue	206,943,083	28,927,880	9,346,606	245,217,569	51,003	245,268,572
Interest expense	(66,508,654)	(5,672,841)	(4,719,585)	(76,901,080)	-	(76,901,080)
Fee and commission expenses	-	(9)	(36,754)	(36,763)	-	(36,763)
Operating Income	140,434,429	23,255,030	4,590,267	168,279,726	51,003	168,330,729
Profit/(loss) before income tax	43,235,936	7,542,190	1,244,164	52,022,290	(87,267)	51,935,023
Assets and liabilities:						
Total assets	1,801,096,283	106,205,635	197,058,621	2,104,360,539	-	2,104,360,539
Total liabilities	1,524,671,322	121,582,200	180,696,289	1,826,949,811	-	1,826,949,811
Net assets	276,424,961	(15,376,565)	16,362,332	277,410,728	-	277,410,728

31 December 2013	**Nigeria**	**Rest of Africa**	**Europe**	**Total continuing operations**	**Discontinued operations**	**Total**
Derived from external customers	180,230,975	20,555,979	6,104,264	206,891,218	5,730,405	212,621,623
Derived from other segments	-	-	-	-	-	-
Total Revenue	180,230,975	20,555,979	6,104,264	206,891,218	5,730,405	212,621,623
Interest expense	(61,171,695)	(4,009,098)	(3,056,594)	(68,237,387)	(229,392)	(68,466,780)
Net impairment on financial assets	7,508,215	(1,344,671)	-	6,163,544	-	6,163,544
Fee and commission expenses		(105,638)		(105,638)	(22,055)	(127,693)
Operating Income	126,567,495	15,096,572	3,047,670	144,711,737	5,478,958	150,190,694
Profit/(loss) before income tax	37,461,915	5,482,645	586,031	43,530,591	265,760	43,796,351
Assets and liabilities:						
Total assets	1,626,950,595	74,749,016	130,918,649	1,835,466,000	55,750,624	1,891,216,624
Total liabilities	1,392,856,984	84,997,770	111,629,701	1,590,983,951	37,293,229	1,628,277,180
Net assets	234,093,611	(10,248,754)	19,288,948	244,482,049	18,457,395	262,939,444

No revenue from transaction with a single external customer or a group of connected economic entities or counterparty amounted to 10% or more of the group's total revenue in year ended 2014 and for the year ended 31 December 2013. Information on revenue from external customers for each product and service had not been disclosed as the information is not readily available to the chief operating decision maker and the cost to develop is considered excessive.

8 Interest income

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Interest income				
Cash and balances with banks	3,216,457	1,685,844	2,341,290	572,631
Loans and advances to banks and customers	136,389,429	97,533,141	123,618,114	85,243,336
Investment securities				
Available for Sale				
- Treasury Bills	3,721,138	1,277,858	3,490,675	1,172,892
- Bonds	779,964	1,896,833	779,964	1,896,833
Held for trading				
- Treasury Bills	7,966,555	4,589,566	7,324,156	599,778
- Bonds	263,466	220,163	92,623	220,163
Held to maturity				
- Treasury Bills	6,838,811	1,639,266	4,188,958	1,038,242
- Bonds	17,742,403	37,118,357	17,742,404	36,967,090
	176,918,223	**145,961,028**	**159,578,184**	**127,710,965**
Interest expense				
Deposit from financial institutions	4,586,282	2,020,605	3,393,599	2,695,673
Deposit from customers	63,530,991	56,979,897	58,742,291	53,177,930
Securities dealing	7,927	417,343	-	414,151
Interest bearing borrowings	8,775,880	4,808,966	8,775,173	4,738,092
Other borrowed funds	-	4,010,576	-	-
	76,901,080	**68,237,387**	**70,911,063**	**61,025,846**
Net interest income	**100,017,143**	**77,723,641**	**88,667,121**	**66,685,119**

Interest income for the year ended 31 December 2014 includes interest accrued on impaired financial assets of Group: N6.2Bn (31 Dec 2013: N7.8Bn) and Bank: N6.1Bn (31 Dec 2013: N7.8Bn).

9a (Impairment)/writeback on financial assets

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Write back of collective impairment charges on loans and advances to banks(note 22)	2,996	3,263	2,996	3,263
(Additional)/Write back of collective impairment charges on loans and advances to customers (note 23)	(4,474,651)	7,670,932	(4,249,362)	6,433,655
Write back of specific impairment charges on loans and advances to banks (see note 22)	-	96,755	-	96,755
Additional specific impairment charges on loans and advances to customers (see note 23)	(6,467,595)	(2,914,577)	(5,649,913)	(332,628)
Write back of impairment charge on available for sale equities (see note 25)	-	155,906	-	155,906
(Additional)/write back impairment allowance on financial assets in other assets (see note 26)	(713,021)	1,151,265	(713,021)	1,151,265
	(11,652,271)	**6,163,544**	**(10,609,300)**	**7,508,216**

The swing from an additional impairment to a write back from December 2013 to December 2014 arose was as a result of the increase in probability of default ratio used in the determination of collective impairment and additional specific impairment recorded during the year.

9b Net impairment on investment in subsidiaries

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Impairment on investment in subsidiaries	-	-	-	(823,182)
	-	**-**	**-**	**(823,182)**

10 Fee and commission income

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Credit related fees and commissions	12,107,051	10,044,049	10,265,759	8,197,544
Commission on turnover and handling commission	5,872,065	6,251,985	5,324,789	5,803,756
Commission on bills and letters of credit	2,767,671	2,704,101	1,288,462	1,538,720
Commissions on collections	727,476	467,053	210,127	81,758
Commission on other financial services	3,109,363	3,626,407	1,150,738	4,173,868
Commission on virtual products	2,062,465	3,384,226	1,328,477	2,729,427
Commission on foreign currency denominated transactions	1,349,866	655,262	753,866	549,265
Card related commissions	2,328,659	1,584,964	2,250,546	1,504,463
Retail account charges	472,182	2,935,123	472,182	1,816,397
	30,796,798	**31,653,170**	**23,044,946**	**26,395,198**

Credit related fees and commissions are fees charged to corporate customers other than fees included in determining the effective interest rates relating to loans and advances carried at amortized cost.

11 Net gains on investment securities -

a Net gains on financial instruments classified as held for trading

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Fixed income securities	316,985	750,730	43,193	658,470
Derivative instruments	22,768,006	69,168	22,980,834	72,676
	23,084,991	**819,898**	**23,024,027**	**731,146**

Net gains on financial instruments classified as held for trading includes the gains and losses arising both on the purchase and sale of trading instruments and from changes in fair value.

b Net gains on financial instruments held as available for sale

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Fixed income securities	321,372	1,055,385	263,247	1,029,242
Total	**321,372**	**1,055,385**	**263,247**	**1,029,242**

12 Net foreign exchange income/(loss)

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Foreign exchange net trading income	18,178,055	6,709,105	14,907,528	5,221,837
Unrealised foreign exchange (loss)/gains on revaluation	(17,614,133)	828,440	(18,305,648)	513,975
	563,922	**7,537,545**	**(3,398,120)**	**5,735,812**

13 Other operating income

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Dividends on available for sale equity securities	3,382,399	3,161,572	3,861,439	3,257,612
Gain on disposal of property and equipment	905,884	2,134,945	874,372	2,135,015
Rental income	205,973	313,257	205,973	308,609
Bad debt recovered	3,294,295	2,711,471	3,174,082	2,659,515
Cash management charges	444,087	391,350	444,087	391,350
Income from contingent settlement derecognition	-	3,548,250	-	3,548,250
Other income	4,549,625	2,753,062	3,972,114	1,477,976
	12,782,263	**15,013,907**	**12,532,067**	**13,778,327**

14 Personnel expenses

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Wages and salaries	29,884,739	29,567,517	24,441,936	24,596,464
Increase in liability for long term incentive plan (see note 40 (a) (i))	421,275	801,169	421,275	801,169
Contributions to defined contribution plans	804,890	600,485	565,204	427,402
Restricted Share Performance Plan (a)	182,636	112,783	182,636	112,783
	31,293,540	**31,081,954**	**25,611,051**	**25,937,818**

(a) Under the Restricted Share Performance Plan (RSPP), shares of the Bank are awarded to employees based on their performance at no cost to them. Under the terms of the plan, the shares vest over a 3 year period from the date of award. The scheme applies to only employees of the Bank that meet the stipulated performance criteria irrespective of where they work within the Group. The RSPP is an equity-settled scheme, where the Bank recognizes an expense and a corresponding increase in equity. Initial estimates of the number of equity settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity settled instruments that vest unless differences are due to market conditions.

By the resolution of the Board and Shareholders, the Bank sets aside an amount not exceeding five (5) per cent of the aggregate emoluments of the Bank's employees in each financial year to purchase shares of the Bank from the floor of the Nigerian Stock Exchange for the purpose of the plan. The Bank has also established a Structured Entity (SE) to hold shares of the Bank purchased. Upon vesting, the SE transfers the shares to the employee whose interest has vested. The SE is consolidated in the Group's financial statements.

(i) The fair value of RSPP shares purchased was obtained from Nigeria Stock Exchange quotation on the date of purchase in June 2014 as 9.70 Naira per share. No other shares have been purchased therafter uptil 31 December 2014. A further statutory fee was paid at an average of 6 kobo per share making a total carrying price of N9.76 per share.

The shares allocated to staff has a contractual vesting period of three (3) years commencing from the year of purchase/allocation to the staff. The group has no legal or constructive obligation to repurchase or settle on a cash basis.

(ii) The number and weighted-average exercise prices of shares has been detailed in table below;

Description of shares		December 2014 Number of Shares	December 2014 Weighted Share Price per Share - Naira	December 2013 Number of Shares	December 2013 Weighted Share Price per Share - Naira
(i)	Shares allocated to staff at start of the year;	38,196,543	11.50	nil	nil
(ii)	Shares purchased during the year	52,822,453	9.76	40,063,365	11.50
(iii)	Unallocated shares during the year	9,398,371	9.76	1,866,822	11.50
(iv)	Forfeited during the year;	3,838,352	nil	nil	nil
(v)	Exercised during the year;	nil	nil	nil	nil
(vi)	Shares allocated to staff at end of the year;	77,782,273	10.51	38,196,543	11.50
		Naira	**Price per Share - Naira**	**Naira**	**Price per Share - Naira**
Share based expense recognised during the year		182,636,342	10.51	112,782,658	11.50

Outstanding allocated shares to staff at the end of the year have the following maturity dates

	Vesting period	Expiry date	Shares
Outstanding allocated shares for the 2013 - 2015 vesting period	2013 - 2015	31 Dec 2015	28,798,172
Outstanding allocated shares for the 2014 - 2016 vesting period	2014 - 2016	31 Dec 2016	48,984,101
			77,782,273

ii. The average number of persons in employment at the Group level during the period comprise:

	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
	Number	**Number**	**Number**	**Number**
Managerial	303	259	244	210
Other staff	3,401	3,151	2,477	2,251
	3,704	**3,410**	**2,721**	**2,461**

iii. Employees, other than directors, earning more than N900,000 per annum, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following ranges:

	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
	Number	Number	Number	Number
Below N900,000	180	131	-	-
N900,001 - N1,990,000	90	152	8	8
N1,990,001 - N2,990,000	156	169	-	-
N2,990,001 - N3,910,000	990	950	677	691
N3,910,001 - N4,740,000	10	27	-	-
N4,740,001 - N5,740,000	704	633	630	556
N5,740,001 - N6,760,000	59	501	-	446
N6,760,001 - N7,489,000	578	296	553	272
N7,489,001 - N8,760,000	327	8	314	-
N8,760,001 - N9,190,000	3	2	-	-
N9,190,001 - N11,360,000	195	295	175	278
N11,360,001 - N14,950,000	139	122	120	105
N14,950,001 - N17,950,000	129	46	115	43
N17,950,001 - N21,940,000	58	5	55	-
N21,940,001 - N26,250,000	2	28	-	25
N26,250,001 - N30,260,000	40	25	37	21
N30,261,001 - N45,329,000	36	18	31	16
Above N45,329,000	8	2	6	-
	3,704	**3,410**	**2,721**	**2,461**

15 Other operating expenses

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Premises and equipment costs	6,296,518	6,024,009	5,585,368	5,675,181
Professional fees	2,641,005	2,961,878	1,046,274	1,664,072
Insurance	499,373	858,014	362,923	704,128
Business travel expenses	2,783,045	2,394,411	2,562,719	2,349,730
Asset Management Corporation of Nigeria (AMCON) surcharge (see note (a) below)	8,520,471	11,695,255	8,520,471	11,695,255
Loss on disposal of investments	17	1,025,936	17	1,025,936
Deposit insurance premium	6,024,910	5,800,622	6,024,910	5,800,622
Auditor's renumeration	433,734	308,208	260,000	255,607
Administrative expenses	8,994,432	6,400,724	7,625,739	4,932,312
Board expenses	342,374	280,835	339,179	280,835
Communication expenses	2,436,612	2,070,592	1,495,757	2,070,592
Consultancy and IT expenses	7,428,985	7,383,837	6,731,029	7,383,837
Outsourcing costs	6,606,279	5,189,615	6,277,997	5,189,615
Public relations and marketing expenses	2,657,098	2,153,600	2,121,556	2,153,600
Recruitment and training	1,277,738	973,101	1,260,129	973,101
Events, charities and sponsorship	2,042,254	1,490,098	1,947,601	1,490,098
Periodicals and subscriptions	538,189	469,726	533,918	469,726
Security expenses	3,009,001	2,452,521	2,560,702	2,452,521
	62,532,035	**59,932,982**	**55,256,289**	**56,566,768**

(a) This represents the Group's contribution to AMCON's sinking fund for the year ended 31 December 2014. Effective 1 January 2011, the banks in Nigeria were required to contribute 0.3% of total assets as at the preceding year end to AMCON's sinking fund in line with existing guidelines. This was increased to 0.5% in 2013. The contribution to AMCON is a levy on all deposit money banks in Nigeria. It is non-refundable and does not represent any ownership interest nor does it confer any rights or obligations (save to pay the levy) on the contributor.

16a Discontinued operations

For the year ended 31 December 2014

In thousands of Naira	Access Bank Burundi	Associated Discount House	Total
	Subsidiary	Associate	
Up to date:	February 2014	December 2014	
Interest income	33,228	10,923,949	10,957,177
Interest expense	(10,177)	(8,736,442)	(8,746,619)
Net interest income	23,051	2,187,507	2,210,558
Net Impairment writeback on financial assets	-	21,842	21,842
Fee and commission income	12,923	16,505	29,428
Trading income	-	673,416	673,416
Net (losses)/gains from financial instruments at fair value	-	(5,273)	(5,273)
Net fee and commission income	12,923	706,490	719,413
Other operating income	4,853	18,650	23,503
Total operating income	**40,827**	**2,912,647**	**2,953,475**
Personnel expenses	(16,060)	(472,017)	(488,077)
Other operating expenses	(31,486)	(819,569)	(851,055)
Total expenses	(47,546)	(1,291,586)	(1,339,132)
Loss before tax	(6,719)	1,621,061	1,614,342
Income tax expense	-	(10,527)	(10,527)
Loss after tax	**(6,719)**	**1,610,534**	**1,603,815**
Loss after tax attributable to:			
Owners of the bank	(5,846)	-	(5,846)
Share of profit attributable to Access Bank:	-	485,576	485,576
Non-controlling interests	(873)	-	(873)
Loss after tax for the period	**(6,719)**	**485,576**	**478,857**
Basic loss per share (kobo)	(0.12)		(0.12)

16b The aggregate book value of the net assets for the subsidiary and associate disposed at the date of disposal is as follows:

Group			
Cash and balances with banks	956,473	11,570,356	12,526,829
Non pledged trading assets	-	470,490	470,490
Loans and advances to customers	1,400,651	298,343	1,698,994
Investment securities	546,762	24,735,328	25,282,090
Pledged assets	-	32,296,487	32,296,487
Other assets	94,593	309,622	404,215
Intangible assets	-	44,207	44,207
Property, plant and equipment	225,883	165,106	390,989
Deferred tax	-	4,184,550	4,184,550
Assets held for sale	-	48,756	48,756
Total assets	**3,224,362**	**74,123,245**	**77,347,607**
Deposits from banks and customers	(2,031,040)	(20,717,369)	(22,748,409)
Deposit from customers	-	(36,645,218)	(36,645,218)
Other liabilities	(166,526)	(233,301)	(399,827)
Total liabilities	**(2,197,566)**	**(57,595,888)**	**(59,793,454)**
Net assets of disposal group	**1,026,796**	**16,527,357**	**17,554,153**

Group			
Proceeds on disposal	776,200	4,044,377	4,820,577
Less:			
Share of other components of net assets exluding translation reserve	(983,780)	-	(983,780)
Carrying amount of investment in associate at disposal	-	(4,130,394)	(4,130,394)
Share of foreign exchange gain arising from disposal	97,187	-	97,187
Goodwill	(369,714)	-	(369,714)
Loss on disposal of subsidiary and associate	**(480,107)**	**(86,017)**	**(566,124)**
Post tax loss of discontinued operations			**(6,719)**
Share of profit of disposed associate (see note 28)			**485,576**
Loss from discontinued operations			**(87,267)**
Bank			
Proceeds on disposal	776,200	4,044,376	4,820,576
Cost of investments	(1,141,875)	(1,521,812)	(2,663,687)
Allowance for impairment	261,409	-	261,409
Gain on disposal of subsidiary and associate	**(104,266)**	**2,522,564**	**2,418,298**

16c Discontinued operations

In 2013, the subsidiaries of Intercontinental Homes and Savings Plc and Intercontinental Bank (UK), Access Bank Cote d'Ivoire and Access Investment and Securities Ltd were sold. Management was committed to a plan to sell Access Bank Burundi within 12 months from the reporting period. (Analysis of the result of discontinued operations and the result recognised in the re-measurement of assets or disposal groups is as below:

The Central Bank of Nigeria (CBN) directed all banks to divest from non-core banking subsidiaries. In line with this, Shareholders of Access Bank Plc, at a court ordered extra- ordinary general meeting (EGM) endorsed the proposal by its Board of Directors to unbundle the Bank's shares in WAPIC Insurance Plc to the shareholders. WAPIC Insurance Plc thus ceased to be a subsidiary of Access Bank Plc in September 2013 and has been accounted for as a discontinued operation.

In accordance with the scheme, the 4,883,039,474 ordinary shares of 50 kobo each of WAPIC Insurance Plc held by Access Bank Plc were transferred to the eligible shareholders of Access Bank pro rata in the proportion of their shareholding in Access Bank Plc, based on the application of the Allocation Ratio as specified in the Scheme document; that pursuant to the provision of section 106 of the Companies and Allied Matters Act and in consideration for the transfer by Access Bank Plc to its shareholders of its entire shares in WAPIC Insurance Plc, the Bank's equity was reduced by the sum of N4,150,585 in September 2013. This transaction was recognised and measured in accordance with "IFRIC 17 – Distribution of Non-cash Assets to Owners.)

In thousands of Naira	**Bank December 2013**
Distribution of shares of WAPIC to Access Bank Shareholders	
Fair value of the non-cash asset	4,150,584
Less:	
Share of net assets of the entity's shares being distributed/ carrying amount of the assets distributed	(6,613,213)
	(2,462,629)

16d(i) ***For the year ended 31 December 2013***

In thousands of Naira **Results of discontinued operations up to date:**	**Omni Finance Bank Cote D' Ivoire** **December 2013**	**Access Bank Burundi** **December 2013**	**Intercontinental Homes & Savings Limited** **January 2013**	**Intercontinental Bank UK** **March 2013**	**WAPIC** **September 2013**	**Total**
Interest income	118,689	333,767	18,224	15,217	-	485,897
Interest expense	(115,269)	(97,380)	(11,922)	(4,821)	-	(229,392)
Net impairment loss on financial assets	-	(1,192)	(37,955)	-	-	(39,147)
Net interest income	3,420	235,195	(31,653)	10,396	-	217,358
Insurance premium income	-	-	-	-	3,741,257	3,741,257
Insurance premium ceded to Reinsurers	-	-	-	-	(1,487,483)	(1,487,483)
	-	-	-	-	2,253,774	2,253,774
Fee and commission income	117,334	85,542	1,193	6,654	133,280	344,003
Fee and commission expense	-	(21,642)	(153)	(260)	-	(22,055)
Net fee and commission income	117,334	63,900	1,040	6,394	133,280	321,948
Net trading and investment income	-	20,383	-	296	1,138,568	1,159,247
Other operating income	178,620	70,177	74,903	-	655,988	979,688
Total operating income	299,374	389,655	44,290	17,086	4,181,610	4,932,015
Personnel expenses	(226,621)	(189,336)	(25,477)	(46,722)	(714,057)	(1,202,213)
Net claims expense and underiting expenses	-	-	-	-	(2,232,097)	(2,232,097)
Depreciation and amortization	-	(70,505)	(4,045)	(1,379)	-	(75,929)
Other operating expenses	(508,714)	(183,704)	(13,358)	(33,467)	(1,103,358)	(1,842,601)
Total expenses	(735,335)	(443,545)	(42,880)	(81,568)	(4,049,512)	(5,352,840)
(Loss)/ gain before tax	**(435,960)**	**(53,890)**	**1,410**	**(64,482)**	**132,099**	**(420,824)**
Income tax expense	-	-	-	-	(47,152)	(47,152)
(Loss)/ gain after tax	**(435,960)**	**(53,890)**	**1,410**	**(64,482)**	**84,947**	**(467,976)**
(Loss)/ profit after tax attributable to:						
Owners of the bank	(226,699)	(28,023)	733	(64,482)	44,173	(274,298)
Non-controlling interests	(209,261)	(25,867)	677	-	40,774	(193,677)
Loss after tax for the period	(435,960)	(53,890)	1,410	(64,482)	84,947	(467,976)
Basic (loss)/ earnings per share (kobo)	(7.97)	(0.98)	0.03	(2.08)	1.55	
Cash flows from/(used in)						
Net cash used in operating activities	549,385	(166,571)	135,566	1,011,090	2,003,551	3,533,021
Net cash from investing activities	(1,046)	(5,477)	231,939	1,088,569	(248,691)	1,065,294
Net cash from financing activities	-	76,803	11,922	-	2,990,815	3,079,540
Effect on cashflows	**548,339**	**(95,245)**	**379,427**	**2,099,659**	**4,745,675**	**7,677,855**

16d(ii) The aggregate book values of the net assets for four subsidiaries disposed at the respective dates of disposal were as follows:

In thousands of Naira	WAPIC September 2013	Intercontinental Homes & Savings Limited January 2013	Intercontinental Bank UK March 2013	Access Investments and Securities September 2013	Omni Finance Bank Cote D' Ivoire December 2013	Total
Cash and balances with banks	8,814,192	374,534	11,027,379	69,794	4,688,605	24,974,504
Loans and advances to banks	-	-	4,060,575	-	-	4,060,575
Loans and advances to customers	-	1,551,045	781,982	-	1,404,556	3,737,583
Trading properties		3,377,221	-	-	-	3,377,221
Investment securities	5,463,103	105,502	1,585,976	-	48,980	7,203,561
Reinsurance assets	882,258	-	-	-	-	882,258
Other assets	2,346,289	342,853	183,909	181,343	233,137	3,287,531
Investment properties	3,566,382	431,944	-	-	-	3,998,326
Property and equipment	1,067,202	693,922	48,019	31,304	1,245,798	3,086,245
Intangible assets	65,612	31,617	19,484	-	-	116,713
Deferred acquisition cost	270,658	-	-	-	-	270,658
Deferred tax assets	32,731	722,718	-	-	-	755,449
Total assets	**22,508,427**	**7,631,356**	**17,707,324**	**282,441**	**7,621,076**	**55,750,624**
Deposits from banks	-	-	(8,009,531)	-	-	(8,009,531)
Deposits from customers	-	(1,062,594)	(6,421,984)	-	(10,573,163)	(18,057,741)
Derivative financial instruments	-	-	(145,590)	-	-	(145,590)
Current tax liabilities	(292,631)	(31,285)		(84,050)	-	(407,966)
Other liabilities	(3,139,702)	(902,368)	(192,200)	-	(342,232)	(4,576,502)
Insurance contracts	(4,929,359)	-	-	-	-	(4,929,359)
Interest-bearing borrowings	-	(995,884)	-	-	-	(995,884)
Deferred tax liability	(170,656)	-	-	-	-	(170,656)
Total liabilities	**(8,532,348)**	**(2,992,131)**	**(14,769,305)**	**(84,050)**	**(10,915,395)**	**(37,293,229)**
Net assets of disposal group	**13,976,079**	**4,639,225**	**2,938,019**	**198,391**	**(3,294,319)**	**18,457,395**
Group						
Proceeds on disposal	-	2,100,000	3,872,960	101,023	160,666	6,234,649
Fair value of the non-cash asset	4,150,584	-	-	-	-	4,150,584
Group's share of other components of net assets exluding translation reserve	(8,665,168)	(2,412,397)	(3,509,765)	(198,391)	2,688,582	(12,097,139)
Gain on disposal	(4,514,584)	(312,397)	363,195	(97,368)	2,849,248	(1,711,906)
Profit from discontinued operations						
Foreign exchange gain/(loss) arising from disposal of translated foreign subsidiaries	-	-	571,746	-	408,078	979,824
Post tax loss of discontinued operations						(467,976)
Share of profit of disposed associate (see note 28)						1,465,818
						265,760
Bank						
Proceeds on disposal		2,100,000	3,872,960	101,023	160,666	6,234,649
Cost of investments		(3,387,938)	(7,301,401)	(819,278)	(5,438,520)	(16,947,137)
Allowances for impairment		1,001,475	3,307,929	620,907	5,277,854	10,208,165
Loss on disposal on investment in subsidiaries		**(286,463)**	**(120,512)**	**(97,348)**	**-**	**(504,323)**

17 Income tax expense

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Current tax expense				
Corporate income tax	7,293,969	4,625,657	4,532,644	2,633,332
IT tax	459,163	299,650	459,163	299,650
Education tax	203,887	1,485,593	203,887	1,485,593
Capital gains tax	110,061	97,357	110,061	97,357
Prior year's under provision	751,307	2,819,776	751,307	2,809,419
	8,818,387	9,328,033	6,057,062	7,325,351
Deferred tax expense				
Origination of temporary differences	140,424	(1,829,274)	144,234	(2,171,799)
Total income tax expense	**8,958,811**	**7,498,759**	**6,201,296**	**5,153,552**

The movement in the current income tax liability is as follows:

	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance at the beginning of the year	6,899,558	8,937,964	6,075,590	7,686,568
Tax paid	(7,187,505)	(10,850,841)	(5,070,239)	(8,936,329)
Income tax charge	8,067,080	6,508,257	5,305,755	4,515,932
On disposal of subsidiary	-	(406,978)	-	-
Prior year's under provision	751,307	2,819,776	751,307	2,809,419
Reclassifications	50,813	-	50,813	-
Translation adjustments	(373,157)	(86,483)	-	-
Income tax receivable	(27,127)	(22,137)	-	-
Balance at the end of the year	**8,180,969**	**6,899,558**	**7,113,226**	**6,075,590**

Income tax liability is to be settled within one period

In thousands of Naira	Group December 2014	Group December 2014	Group December 2013	Group December 2013
Profit before income tax		52,022,290		43,530,591
Income tax using the domestic tax rate	30%	15,603,325	30%	10,988,217
Effect of tax rates in foreign jurisdictions	0%	-	0%	(27,429)
Capital allowance utilised for the year	0%	-	1%	439,108
Non-deductible expenses	17%	8,977,112	8%	2,867,824
Tax exempt income	-41%	(21,362,068)	-33%	(15,077,667)
Tax losses (utilised)/unutilised	1%	556,262	-1%	(212,945)
Education tax levy	0%	203,887	0%	1,485,593
Capital gain's tax	0%	110,061	0%	97,357
Prior year's under provision	1%	751,307	3%	2,819,776
Impact of dividend as tax base	8%	4,118,925	12%	4,118,925
Effective tax rate	**16%**	**8,958,811**	**20%**	**7,498,759**

In thousands of Naira	Bank December 2014	Bank December 2014	Bank December 2013	Bank December 2013
Profit before income tax	-	46,142,422		31,365,395
Income tax using the domestic tax rate	30%	13,842,727	30%	9,409,619
Information technology tax	1%	459,163	1%	299,650
Non-deductible expenses	19%	8,811,846	7%	2,314,851
Tax exempt income	-48%	(22,096,620)	-39%	(15,381,862)
Education tax levy	0%	203,887	0%	1,485,593
Capital gain tax	0%	110,061	0%	97,357
Prior year's under provision	2%	751,307	4%	2,809,419
Impact of dividend as tax base	9%	4,118,925	13%	4,118,925
Effective tax rate	**13%**	**6,201,296**	**16%**	**5,153,552**

18 Earnings per share

(a) Basic from continuing operations

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Profit for the year from continuing operations	43,063,479	36,031,832	39,941,126	26,211,844
Loss for the year from discontinued operations	(87,267)	265,760	-	-
Weighted average number of ordinary shares in issue	22,882,919	22,882,919	22,882,919	22,882,919
Weighted average number of ordinary shares after treasury shares	22,816,414	22,862,870	22,882,919	22,882,919
In naira per share				
Basic earnings per share from continuing operations	1.89	1.58	1.74	1.14
Basic (earnings) per share from discontinued operations	-	0.01	-	-

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has no debt with a convertible option. The are no diluted earnings

19 Cash and balances with banks

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Cash on hand and balances with banks (see note (i))	49,549,044	114,541,529	36,343,757	109,655,119
Restricted deposits with central banks (see note (ii))	257,591,933	172,406,297	255,603,361	171,944,537
Unrestricted balances with central banks	32,060,575	31,143,134	22,262,582	24,775,442
Money market placements	65,813,241	121,368,581	36,965,179	89,433,649
	405,014,793	**439,459,541**	**351,174,879**	**395,808,747**

(i) Included in cash in hand and balances with other banks is an amount of N5.030Bn (31 Dec 2013: N10.276Bn) representing the Naira value of foreign currencies held on behalf of customers to cover letter of credit transactions. The corresponding liability is included in customer's deposit for foreign trade reported under other liabilities (see Note 36). This has been excluded for cash flow purposes.

(ii) Restricted deposits with central banks comprise the cash reserve requirements of the Central Bank of Nigeria and other central banks of jurisdictions that the group operates in. These balances are not available for day to day operations of the group.

20 Non pledged trading assets

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Government bonds	3,786,172	1,402,326	3,786,172	1,402,326
Treasury bills	24,546,032	2,370,725	24,546,032	2,370,725
Equity securities	79,440	104,918	79,440	104,918
	28,411,644	**3,877,969**	**28,411,644**	**3,877,969**

21 Derivative financial instruments

In thousands of Naira	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2014		December 2013	
Group				
Foreign exchange derivatives				
Total derivative assets	226,641,589	24,866,681	11,471,603	102,123
Total derivative liabilities	49,836,860	(1,989,662)	2,000,495	(32,955)

	Notional amount	Fair Value Assets/ (Liabilities)	Notional amount	Fair Value Assets/ (Liabilities)
	December 2014		December 2013	
Bank				
Foreign exchange derivatives				
Total derivative assets	224,496,226	24,831,145	9,423,411	72,675
Total derivative liabilities	25,458,938	(1,737,791)	-	-

Derivative financial instruments consist of short term forward and swap contracts. These are held for day to day cash management rather than for trading purposes and are held at fair value. The contracts have intended settlement dates within twelve months. All derivative contracts are considered to be valued using level two i.e. are priced with reference to observable market data.

22 Loans and advances to banks

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Loans and advances to banks	12,442,000	24,589,212	55,783,178	13,057,988
Less collective allowances for impairment	(6,341)	(9,337)	(6,341)	(9,337)
	12,435,659	**24,579,875**	**55,776,837**	**13,048,651**

Specific allowances for impairment on loans and advances to banks

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance, beginning of year	-	96,755	-	96,755
Impairment loss for the year:				
- Net charge/allowance no longer required	-	(96,755)	-	(96,755)
Balance, end of year	-	-	-	-

Collective allowances for impairment on loans and advances to banks

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance beginning of year	9,337	12,600	9,337	12,600
Allowance no longer required	(2,996)	(3,263)	(2,996)	(3,263)
Balance end of year	6,341	9,337	6,341	9,337

23 Loans and advances to customers
a Group

December 2014 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans to individuals					
Retail Exposures					
Auto Loan	1,049,322	-	(15,878)	(15,878)	1,033,444
Credit Card	1,701,880	-	(31,026)	(31,026)	1,670,854
Finance Lease	67,905	-	(347)	(347)	67,558
Mortgage Loan	4,291,312	-	(59,532)	(59,532)	4,231,780
Overdraft	5,653,252	-	(497,431)	(497,431)	5,155,821
Personal Loan	8,195,722	-	(96,633)	(96,633)	8,099,089
Term Loan	4,263,687	-	(61,701)	(61,701)	4,201,986
Time Loan	3,374,403	-	(35,562)	(35,562)	3,338,841
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	2,186,891	-	(24,540)	(24,540)	2,162,351
Credit Card	251,828	-	(3,553)	(3,553)	248,275
Finance Lease	2,684,171	-	(18,962)	(18,962)	2,665,210
Mortgage Loan	179,950	-	(2,354)	(2,354)	177,596
Overdraft	255,764,405	(5,663,268)	(5,847,412)	(11,510,680)	244,253,725
Term Loan	541,142,322	(2,165,144)	(3,197,231)	(5,362,375)	535,779,947
Time Loan	298,639,218	(139,117)	(1,122,134)	(1,261,251)	297,377,967
	1,129,446,268	**(7,967,529)**	**(11,014,296)**	**(18,981,825)**	**1,110,464,442**

Group

December 2013 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans to individuals					
Retail Exposures					
Auto Loan	588,969	-	(7,761)	(7,761)	581,208
Credit Card	1,220,445	-	(18,872)	(18,872)	1,201,573
Finance Lease	161,129	-	(2,277)	(2,277)	158,852
Mortgage Loan	3,859,707	-	(48,138)	(48,138)	3,811,569
Overdraft	3,764,482	(759,674)	(344,341)	(1,104,015)	2,660,467
Personal Loan	3,176,765	-	(22,393)	(22,393)	3,154,372
Term Loan	2,578,909	(379,837)	(36,645)	(416,482)	2,162,427
Time Loan	248,369	-	(3,371)	(3,371)	244,998
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	1,257,384	-	(17,462)	(17,462)	1,239,922
Credit Card	348,842	-	(4,730)	(4,730)	344,112
Finance Lease	2,000,500	-	(21,175)	(21,175)	1,979,325
Mortgage Loan	-		-	-	-
Overdraft	166,953,179	(4,983,861)	(2,043,291)	(7,027,152)	159,926,027
Term Loan	429,600,488	(1,820,737)	(3,115,994)	(4,936,731)	424,663,757
Time Loan	184,905,253	-	(864,159)	(864,159)	184,041,094
	800,664,424	**(7,944,110)**	**(6,550,609)**	**(14,494,719)**	**786,169,703**

Impairment on loans and advances to customers

In thousands of Naira	**Specific allowances** December 2014	**Specific allowances** December 2013	**Collective allowances** December 2014	**Collective allowances** December 2013
Balance beginning of year	7,944,110	24,233,008	6,550,608	13,728,715
Impairment loss for the year:				
- Charge for the year/(allowance no longer required)	6,467,595	2,914,577	4,474,651	(7,670,933)
Effect of foreign currency movements	-	872,556	-	992,633
Write-offs	(6,444,176)	(20,076,031)	(10,964)	(499,807)
Balance end of year	**7,967,529**	**7,944,110**	**11,014,295**	**6,550,608**

23 Loans and advances to customers
b Bank

December 2014 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans to individuals					
Retail Exposures					
Auto Loan	1,039,754	-	(15,829)	(15,829)	1,023,925
Credit Card	1,619,091	-	(30,536)	(30,536)	1,588,555
Finance Lease	-	-	-	-	-
Mortgage Loan	3,570,299	-	(51,698)	(51,698)	3,518,601
Overdraft	4,111,433	-	(422,288)	(422,288)	3,689,145
Personal Loan	6,865,010	-	(93,081)	(93,081)	6,771,929
Term Loan	3,274,322	-	(52,154)	(52,154)	3,222,168
Time Loan	668,650	-	(8,641)	(8,641)	660,009
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	2,186,892	-	(24,540)	(24,540)	2,162,352
Credit Card	251,829	-	(3,553)	(3,553)	248,276
Finance Lease	2,480,457	-	(17,921)	(17,921)	2,462,536
Mortgage Loan	179,950	-	(2,354)	(2,354)	177,596
Overdraft	226,471,125	(4,342,851)	(5,740,751)	(10,083,602)	216,387,523
Term Loan	509,908,731	(1,997,308)	(3,183,670)	(5,180,978)	504,727,753
Time Loan	274,287,442	-	(1,018,962)	(1,018,962)	273,268,480
	1,036,914,985	**(6,340,159)**	**(10,665,978)**	**(17,006,137)**	**1,019,908,848**

Bank

December 2013 *In thousands of Naira*	**Gross amount**	**Specific impairment allowance**	**Collective impairment allowance**	**Total impairment allowance**	**Carrying amount**
Loans to individuals					
Retail Exposures					
Auto Loan	549,534	-	(7,761)	(7,761)	541,773
Credit Card	1,220,445	-	(18,872)	(18,872)	1,201,573
Finance Lease	161,129	-	(2,277)	(2,277)	158,852
Mortgage Loan	3,805,234	-	(48,138)	(48,138)	3,757,096
Overdraft	2,645,838	-	(344,276)	(344,276)	2,301,562
Personal Loan	1,602,249	-	(22,393)	(22,393)	1,579,856
Term Loan	1,863,130	-	(36,645)	(36,645)	1,826,485
Time Loan	248,369	-	(3,371)	(3,371)	244,998
Loans to corporate entities and other organizations					
Non-Retail Exposures					
Auto Loan	1,240,483	-	(17,462)	(17,462)	1,223,021
Credit Card	348,842	-	(4,730)	(4,730)	344,112
Finance Lease	1,566,157	-	(21,175)	(21,175)	1,544,982
Mortgage Loan	-	-	-	-	-
Overdraft	146,183,869	(4,991,775)	(1,920,327)	(6,912,102)	139,271,767
Term Loan	408,839,725	(1,820,737)	(3,115,994)	(4,936,731)	403,902,995
Time Loan	178,265,829	-	(864,159)	(864,159)	177,401,670
	748,540,833	**(6,812,512)**	**(6,427,580)**	**(13,240,092)**	**735,300,741**

Impairment on loans and advances to customers

In thousands of Naira	**Specific Impairment** December 2014	**Specific Impairment** December 2013	**Collective Impairment** December 2014	**Collective Impairment** December 2013
Balance beginning of year	6,812,512	19,843,639	6,427,580	13,361,042
Impairment loss for the year:				
- Charge for the year/(allowances no longer required)	5,649,913	332,628	4,249,362	(6,433,655)
Write-offs	(6,122,266)	(13,363,755)	(10,964)	(499,807)
Balance end of year	**6,340,159**	**6,812,512**	**10,665,978**	**6,427,580**

23(c) Advances under Finance Leases

Loans and advances to customers at amortised cost include the following finance lease receivables for leases of certain property and equipment where the group is the lessor:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Gross investment in finance lease, receivable	7,357,545	4,491,222	6,925,411	3,941,383
Unearned finance income on finance leases	(1,369,254)	(483,240)	(1,218,308)	(424,079)
Net investment in finance leases	5,988,291	4,007,982	5,707,103	3,517,304
Gross investment in finance leases, receivable:				
Less than one year	862,109	673,877	761,251	591,377
Between one and five years	6,495,436	3,817,345	6,164,160	3,350,006
Later than five years	-	-	-	-
	7,357,545	4,491,222	6,925,411	3,941,383
Unearned finance income on finance leases	(1,369,256)	(483,240)	(1,218,308)	(424,079)
Present value of minimum lease payments				
	5,988,289	4,007,982	5,707,103	3,517,304
The present value of minimum lease payments may be analysed				
Less than one year	476,860	410,962	420,328	360,650
Between one and five years	5,511,429	3,597,020	5,286,775	3,156,654
Later than five years	-	-	-	-

24 Pledged assets

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Treasury bills	15,125,322	4,774,503	13,236,528	4,712,475
Government bonds	71,946,825	58,635,348	71,946,825	58,635,348
	87,072,147	**63,409,851**	**85,183,353**	**63,347,823**
The related liability for assets pledged as collateral include:				
Bank of Industry (BOI)	23,479,759	23,432,643	23,479,759	23,432,643

(i) The assets pledged as collateral include assets pledged to third parties under secured borrowing with the related liability disclosed above. The contractual maturity of the collateral agreement is similar to that of the related liability.

Also included in pledged assets are assets pledged as collateral or security deposits to clearing house and payment agencies of N24.3Bn (31 Dec 2013: N26.7Bn) for which there is no related liability.

As at 31 December 2014, the Bank held N19.8Bn worth of collateral, (December 2013: N5.0Bn).

25 Investment securities

Available for sale investment securities *In thousands of Naira*	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Debt securities				
Government bonds	37,048,459	2,818,336	37,048,459	2,818,336
Treasury bills	92,046,032	140,780,793	61,656,952	119,864,079
Eurobonds	10,700,919	7,029,220	8,495,425	6,690,780
Equity securities				
Equity securities with readily determinable fair values	45,087,422	39,231,797	45,052,274	39,231,797
Unquoted equity securities at cost	3,145,697	3,145,697	3,145,697	3,145,697
	188,028,529	193,005,843	155,398,807	171,750,689
Specific allowance for impairment on equity securities	(3,145,697)	(3,145,697)	(3,145,697)	(3,145,697)
	184,882,832	**189,860,146**	**152,253,110**	**168,604,992**

(i) Equity securities with readily determinable fair values (Carrying amount)

	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
MTN Nigeria	10,226,687	8,468,523	10,226,687	8,468,523
Central Securities Clearing System Limited	1,847,493	2,350,030	1,847,493	2,350,030
Nigeria Interbank Settlement System	1,026,992	403,226	1,026,992	403,226
IBTC Pension Managers	1,452,636	2,345,888	1,452,636	2,345,888
Unified Payment Services Limited	2,384,009	788,387	2,384,009	788,387
Africa Finance Corporation	26,891,794	24,206,487	26,891,794	24,206,487
Juli Pharmacy	12,526	12,526	12,526	12,526
E-Tranzact	777,928	537,600	777,928	537,600
African Export-Import Bank	2,291	1,357	2,291	1,357
FMDQ	30,000	30,000	30,000	30,000
Nigerian Mortage Refinance Company	200,000	-	200,000	-
Credit Bureau Limited	199,918	87,773	199,918	87,773
Others	35,148	-	-	-
	45,087,422	**39,231,797**	**45,052,274**	**39,231,797**

Held to maturity investment securities
In thousands of Naira

Debt securities				
Treasury bills	23,495,446	17,503,150	15,963,009	-
Federal government bonds	39,519,702	62,199,278	37,947,206	59,140,483
State government bonds	7,504,536	9,922,603	7,504,536	9,922,603
AMCON bonds (see note below)	-	59,123,792	-	59,123,792
Corporate bonds	5,079,686	7,386,140	3,335,218	4,463,693
Eurobonds	1,551,167	821,441	956,885	821,441
Local contractors bonds	8,178,019	6,994,798	8,178,019	6,994,798
	85,328,556	**163,951,202**	**73,884,873**	**140,466,810**
Total	**270,211,388**	**353,811,348**	**226,137,983**	**309,071,802**

Specific allowance for impairment on available for sale investment securities at cost

In thousands of Naira	**Group December 2014**	**Group December 2013**	**Bank December 2014**	**Bank December 2013**
Balance, beginning of year	3,145,697	3,388,176	3,145,697	3,371,603
Allowance no longer required	-	(155,906)	-	(155,906)
Amount written off	-	(70,000)	-	(70,000)
Exchange difference	-	(16,573)	-	-
Balance, end of year	**3,145,697**	**3,145,697**	**3,145,697**	**3,145,697**

AMCON consideration bonds represent consideration bonds issued by the Asset Management Corporation of Nigeria (AMCON) and fully guaranteed by the Federal Government of Nigeria. The consideration bonds were issued in exchange for non-performing loans and the issued shares in Intercontinental Bank, as part of the acquisition by Access Bank. Based on the terms of the transactions, AMCON reserves the right to re-evaluate the valuation of the sale. Any changes to the transaction consideration is prospectively adjusted through income. As at 31 December 2014, all AMCON bonds held by the Bank had matured.

26 Other assets

In thousands of Naira	**Group December 2014**	**Group December 2013**	**Bank December 2014**	**Bank December 2013**
Financial assets				
Accounts receivable	52,828,011	59,064,525	46,508,768	52,823,055
Receivable from AMCON	5,498,909	5,780,565	5,498,909	5,780,565
Subscription for investment	25,001	925,030	826,653	1,657,636
	58,351,921	65,770,120	52,834,330	60,261,256
Non-financial assets				
Prepayments	19,518,711	8,381,804	17,026,257	6,232,228
Inventory	761,159	423,619	706,891	388,696
	20,279,870	8,805,423	17,733,148	6,620,924
Gross other assets	78,631,791	74,575,543	70,567,478	66,882,180
Allowance for impairment on financial assets	(22,321,171)	(22,555,820)	(22,321,171)	(22,555,820)
	56,310,620	**52,019,723**	**48,246,307**	**44,326,360**
Within 12 months	46,361,423	48,351,117	38,846,499	41,044,430
After 12 months	9,949,197	3,668,606	9,399,808	3,281,930

Movement in allowance for impairment on other assets:

In thousands of Naira	**Group**	**Bank**
Balance at 1 January 2013	25,151,856	25,151,856
Impairment loss for the year:		
- Additional provision	509,012	509,012
- Provision no longer required	(1,660,277)	(1,660,277)
Write back	(1,151,265)	(1,151,265)
Allowance written off	(1,444,771)	(1,444,771)
Balance as at 31 December 2013/1 January 2014	22,555,820	22,555,820
Impairment loss for the year:		
- Additional provision	882,369	882,369
- Provision no longer required	(169,348)	(169,348)
Net impairment	713,021	713,021
Allowance written off	(947,670)	(947,670)
Balance as at year end 31 December 2014	22,321,171	22,321,171

27 Investment properties

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance, beginning of the year	23,974,789	14,360,567	23,974,789	14,072,673
Additions during the year	-	5,159,830	-	5,159,830
Fair value gain	-	4,850,286	-	4,850,286
Loss on disposal of subsidiary	-	(287,894)	-	-
Disposals	(1,286,305)	(108,000)	(1,286,305)	(108,000)
Transfer to asset classified as held for sale	(22,688,484)	-	(22,688,484)	-
Balance, end of the year	-	**23,974,789**	-	**23,974,789**

These investment properties have been valued by reputable estate surveyors and valuers using the comparable transactions method of valuation to arrive at the open market value. The portion of the investment property representing land is N23.7bn. The valuers used bythe bank are Azuka Iheabunike & Partners and Diya Fatimilehin & Co. There were no rental income from investment property during the year and no restrcitions on the reaslisability of the property. Investment properties have been reclassified to assets held for sale, as management has initiated a plan to dispose of these properties within a twelve months period.

28 Investments in associate

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance, beginning of year	3,623,326	2,774,643	1,521,812	1,980,808
Share of profit	485,576	1,465,818	-	-
Share of OCI	21,492	(17,215)	-	-
Dividends paid	-	(96,041)	-	-
Disposals	(4,130,394)	(503,879)	(1,521,812)	(458,996)
	-		-	
Balance, end of year	-	**3,623,326**	-	**1,521,812**

Set out below are the summarised financial information for associates which are accounted for using the equity method.

	Associated Discount House Limited		Magnate Technologies	
	December 2014	December 2013	December 2014	December 2013
Assets				
Cash and balances with banks	11,570,356	11,117,515	14,375	15,064
Non pledged trading assets	470,490	9,622,924	-	-
Loans and advances to customers	298,343	1,736,058	-	-
Investment Securities:				
Held to maturity	16,402,421	8,728,382	-	-
Available for sale securities	8,332,907	13,374,599	-	-
Assets pledged as collateral	32,296,487	21,366,884	-	-
Other assets	309,622	459,840	16,604	23,454
Intangible assets	44,207	65,174	-	-
Property, plant and equipment	165,106	124,911	209,992	367,139
Deferred tax	4,184,550	4,098,254	-	-
Assets held for sale	48,756	48,756	-	-
Total assets	74,123,245	70,743,297	240,971	405,657
Financed by:				
Deposits from banks	20,620,987	39,331,966	205,492	95,237
Borrowings	36,645,218	-	-	-
Deposits from customers	96,382	21,528,055	-	333,677
Other liabilities	233,301	348,214	55,118	-
				-
Total liabilities	57,595,888	61,208,235	260,610	428,914
Net assets/(liabilities)	16,527,357	9,535,062	(19,639)	(23,257)
Profit before tax	1,621,061	1,802,723	2,171	(27,077)
Income tax	(10,527)	1,319,512	-	-
Profit for the year	1,610,534	3,122,235	2,171	(27,077)
Other comprehensive income/(loss)	71,284	(44,922)	-	-
Group's share of profit (adjusted)	485,576	1,465,814	-	(10,831)
Group's share of OCI	21,492	(17,215)	-	-

28b Reconciliation of summarised financial information to the carrying amount of its interests in associates

Summarized financial information	**Associated Discount House Limited**		**Magnate Technologies**	
	December 2014	**December 2013**	**December 2014**	**December 2013**
Opening Net Assets (1 January 2014)	9,535,062	6,728,780	(23,257)	3,820
Profit/ (loss) for the period	1,610,535	3,122,235	2,171	(27,077)
Other comprehensive income	71,284	(44,922)	-	-
Dividend paid	-	(271,031)	-	-
Deposit for shares	5,310,475	-		
Exchange gain/(loss)			1,447	
Closing net assets (31 December 2014)	16,527,356	9,535,062	(19,639)	(23,257)
Interest in associate	-	3,623,326	(7,856)	(9,303)

Associated Discount House was incorporated in Nigeria while Magnate Technology and Services Limited, was incorporated in Ghana.

The Group's interest in the Associated Discount House was 38.32% from the beginning of the year to 1 July 2014. This interest was diluted to 29.18% on 30 June 2014 as the Bank did not take up its portion of the rights issue.

On 31 December 2014, the Group fully disposed its interest in ADH and recognised the gain on disposal (31 December 2013: 1,067,117,591 ordinary shares, 38.32%). No Dividend income was received from ADH during the year

The company was incorporated in October 1992 with the principal activities of trading in treasury bills, Federal Government of Nigeria bonds, Bankers Acceptance and Commercial papers and the provision of funds/portfolio management and financial advisory services to its various financial and non-financial clients.

The Group holds an equity interest of 40% in Magnate Technology and Services Limited (MTSL) as at 31 December 2014 (31 December 2013: 40%). The company was incorporated in February, 2003 with the principal activity of providing security and communication services to its numerous clients via the use of its ICT platform.

There were no published price quotations for any associate. There are no significant restrictions on the ability of the associates to transfer funds to the group in the form of cash dividends, or repayments of loans or advances. Both associates were accounted for using the equity method.

As as 31 December 2014, the Group exercises significant influence in Magnate Technologies Limited by virtue of its more than 20% shareholding and the representation of at least one director on the board of the company and significant participation in the companies' operating and financial policies. The Group's interest in Associated Discount House at the end of the year was nil.

There are SME investments of N3.1 bn (December 2013: N3.1 bn) for which the Bank has shareholdings of more than 20% but less than 50%. These investments were classified as available for sale rather than as investment in associates or subsidiaries because the company does not have the power to excercise any influence or control over these entities. The Bank has determined that it does not have any influence over these entities through it's shareholding based on the following factors in particular:

i. Access Bank Plc does not have any representation on the Board of these companies, nor does it have a right to appoint a director;

ii Access Bank Plc does not participate in the policy-making decisions, nor does it have a right to participate in such policy-making decisions of these companies;

iii There are no material transactions between Access Bank Plc and these companies, there is no interchange of personnel between the two companies and there is no sharing of technical information between the companies.

iv These investments are carried at cost as their fair value cannot be measured reliably. They are investments in small and medium scale enterprises with no available financial information. These amounts have been fully impaired as at 31 December 2014 (2013: Nil).

29(a) Subsidiaries (with continuing operations)
(i) Group entities

Set out below are the group's subsidiaries as at 31 December 2014. Unless otherwise stated, the subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the group and the proportion of ownership interests held equals to the voting rights held by the group. The country of incorporation is also their principal place of business.

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of any member of the Group to the extent that regulation does not inhibit the group from having access, and in liquidation scenario, this restriction is limited to its level of investment in the entity .

	Nature of business	Country of incorporation	Ownership interest December 2014	Ownership interest December 2013
Access Bank Gambia Limited	Banking	Gambia	64%	88%
Access Bank Sierra Leone Limited	Banking	Sierra Leone	97%	97%
Access Bank Rwanda Limited	Banking	Rwanda	75%	75%
Access Bank Zambia	Banking	Zambia	92%	87%
The Access Bank UK	Banking	United Kingdom	100%	100%
Access Bank R.D. Congo	Banking	Congo	74%	100%
Access Bank Ghana	Banking	Ghana	92%	92%
Access Finance B.V. (see note (a) below)	Banking	Netherlands	100%	100%

(a) Access Finance B.V. was incorporated in 2011 and commenced operations in 2012. An obligation also exists between the Bank and Access Finance B.V., for which Access Finance B.V. lent to the Bank the sum of USD 2,462,000 as a share premium loan. The loan agreement between both parties however permits that the obligation of Access Finance B.V. to grant the loan, be set off against the obligation of the Bank to repay the loan such that each party's obligation either as a borrower or lender is discharged. In view of this, no loan payable has been recognized in the Bank's financial statements.

(ii) Subsidiaries undergoing liquidation

	Nature of business	Country of incorporation	Ownership interest December 2014	Ownership interest December 2013
Flexmore Technologies Limited	IT Services	Nigeria	0%	100%

This subsidiary is currently undergoing a winding-down process through the appointment of a court ordered receiver manager to manage their affairs. As a result of this event, the Bank has lost control without a change in absolute or relative ownership level. The loss of control in these subsidiaries, have been accounted for in the financail statements.

(iii) Structured entities:

	Nature of business	Country of incorporation	Ownership interest December 2014	Ownership interest December 2013
Restricted Share Performance Plan (RSPP)	Financial services	Nigeria	100%	100%

(iv) Associates

Associated Discount House Limited	Financial services	Nigeria	0%	38%
Magnate Technology and Services Limited	IT Services	Ghana	40%	40%

29(b) Investment in subsidiary

In thousands of Naira	Bank December 2014	Bank December 2013
Subsidiaries with continuing operations		
Access Bank, UK	13,928,819	13,928,819
Access Bank, Ghana	13,704,428	13,704,428
Access Bank Rwanda	1,578,825	1,578,825
Access Bank, Congo	2,779,650	2,779,650
Access Bank, Zambia	4,274,925	1,819,425
Access Bank, Gambia	1,853,756	1,853,756
Access Bank, Sierra Leone	1,019,952	1,019,952
Investment in RSPP scheme	976,125	460,580
Access Bank Finance B.V.	4,092	4,092
Subsidiaries held for sale		
FinBank, Burundi	-	1,141,874
Subsidiaries undergoing liquidation		
Intercontinental Capital Markets Limited	-	672,500
Intercontinental Finance and Investment Limited	-	100,000
Intercontinental Registrars Limited	-	200,000
Intercontinental Trustees Limited	-	100,000
Intercontinental Securities Limited	-	391,598
Flexmore Technologies Limited	100,000	100,000
	40,220,572	39,855,499
Specific allowances for impairment on investment in subsidiaries	(100,000)	(1,825,507)
Balance, end of year	**40,120,572**	**38,029,992**

Specific allowances for impairment on investment in subsidiaries

In thousands of Naira	Bank December 2014	Bank December 2013
Balance, beginning of year	1,825,507	11,210,490
Amount reclassified	-	(120,908)
Charge for the year	-	1,505,591
Allowance no longer required	-	(682,409)
Allowance written off	(1,725,507)	(10,087,257)
Balance, end of year	100,000	1,825,507

Based on the contractual arrangements between the Group and the shareholders in each of the entities, the Group has the power to appoint and remove the majority of the board of Directors of each entity.

The relevant activities of each of the listed subsidaries are determined by the Board of Directors of each entity based on simple majority shares. Therefore, the directors of the Group concluded that the Group has control over each of the above listed entities and were consolidated in the group financial statements.

29 (c) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at 31 December 2014, are as follows:

Condensed profit and loss *In thousands of naira*	**The Access Bank UK**	**Access Bank Ghana**	**Access Bank Rwanda**	**Access Bank (R.D. Congo)**	**Access Bank Zambia**	**Access Bank Gambia**	**Access Bank Sierra Leone**	**Access Bank Investment in RSPP**	**Access Bank B.V.**
Operating income	4,277,758	13,912,679	1,592,611	1,670,747	807,674	874,023	598,094	21,951	123,593
Operating expenses	(2,851,778)	(5,955,246)	(1,316,178)	(1,252,975)	(1,308,538)	(489,795)	(547,193)	-	(305,410)
Net impairment on financial assets	-	(909,901)	(18,300)	(26,395)	(25,460)	(62,915)	-	-	-
Profit before tax	1,425,980	7,047,532	258,133	391,377	(526,324)	321,313	50,901	21,951	(181,817)
Taxation	(302,389)	(2,168,614)	(93,146)	(150,665)	18,793	(16,973)	(14,983)	-	(29,539)
Profit for the year	1,123,591	4,878,918	164,987	240,712	(507,531)	304,340	35,918	21,951	(211,356)
Assets									
Cash and balances with banks	19,723,288	28,718,479	6,189,888	2,370,866	4,793,833	1,145,405	2,292,292	-	2,185,302
Derivative financial instruments	35,536	-	-	-	-	-	-	-	-
Loans and advances to banks	62,695,820	-	-	-	-	-	-	-	63,357,784
Loans and advances to customers	26,621,426	47,982,339	5,317,264	6,206,928	3,167,098	715,665	544,874	-	-
Pledged assets	-	-	-	-	-	1,888,794	-	-	-
Investment securities	21,347,150	11,948,616	2,784,897	1,142,760	3,912,586	-	2,937,395	-	-
Other assets	452,300	4,511,582	193,904	147,186	2,966,061	1,099,250	529,990	-	-
Investment in subsidiaires	-	-	-	-	-	-	-	976,126	-
Property and equipment	174,868	2,979,160	191,604	834,481	551,125	504,533	263,609	-	-
Intangible assets	30,524	249,613	53,396	37,378	33,816	42,137	28,305	-	-
Deferred tax assets	10,757	316,578	-	-	438,577		106,292	-	-
Assets classified as held for sale	-	-	-	-	-		-		-
	131,091,669	**96,706,367**	**14,730,953**	**10,739,599**	**15,863,096**	**5,395,784**	**6,702,757**	**976,126**	**65,543,086**
Financed by:									
Deposits from banks	91,176,538	9,700,939	-	-	95,215	-	7,831	-	-
Deposits from customers	22,934,317	67,486,781	11,873,269	7,468,618	11,592,695	3,291,879	4,992,832	-	-
Derivative Liability	251,871	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	65,325,788
Retirement benefit obligations	-	-	-	-	-	-	1,736	-	-
Current income tax liability	-	867,940	-	170,714	-	-	-	-	29,090
Other liabilities	668,974	2,157,465	457,031	394,096	1,092,311	300,393	459,940	-	323,043
Contingent settlement provisions	-	-	-	-	-	-	-	-	-
Deferred tax liability	-	111,509	-	-	0	-	14,983	-	-
Equity	16,059,969	16,381,733	2,349,349	2,706,171	3,082,875	1,803,512	1,225,435	976,127	(134,835)
	131,091,669	**96,706,367**	**14,679,649**	**10,739,599**	**15,863,096**	**5,395,784**	**6,702,757**	**976,127**	**65,543,086**
Net cashflow from investing activities	2,391,557	(1,924,281)	909,928	(128,923)	(1,593,367)	(1,636,747)	598,429	-	-
Net cashflow from financing activities	-	3,840,427	-	-	2,762,382	765,254	-	-	7,138,351
Increase/(Decrease) in cash and cash equivalents	(81,883,511)	10,097,706	1,496,429	(841,950)	777,393	350,114	542,017	-	78,508
Cash and cash equivalent, beginning of year	101,279,783	18,573,352	4,095,830	4,353,919	1,843,604	812,938	1,750,275	-	73,058
Cash and cash equivalent, end of year	19,396,272	28,671,058	5,592,259	3,511,969	2,620,997	1,163,052	2,292,292	-	151,566

29 (d) Condensed results of consolidated entities

(i) The condensed financial data of the consolidated entities as at 31 December 2013, are as follows:

Condensed profit and loss *In thousands of naira*	The Access Bank UK	Access Bank Ghana	Access Bank Rwanda	Access Bank (R.D. Congo)	Access Bank Zambia	Access Bank Gambia	Access Bank Sierra Leone	Access Bank Investment in RSPP	Access Bank B.V.	Finbank Burundi
Operating income	2,720,093	11,417,150	1,025,704	1,086,486	420,068	758,862	584,969	-	76,584	-
Operating expenses	(2,197,059)	(5,028,351)	(560,134)	(1,459,070)	(530,277)	(544,781)	(482,177)	-	(18,210)	-
Net impairment on financial assets	-	(1,577,530)	(42,276)	(371,673)	(8,107)	(42,355)	-	-	-	-
Profit before tax	523,034	4,811,269	423,294	(744,257)	(118,316)	171,726	102,792	-	58,374	-
Taxation	(56,038)	(1,839,187)	-	-	-	-	(30,008)		-	
Profit for the year	466,996	2,972,082	423,294	(744,257)	(118,316)	171,726	72,784	-	58,374	-
Assets										
Cash and balances with banks	101,614,630	18,656,703	4,072,329	1,511,868	1,836,151	840,753	1,752,203	-	73,210	-
Non pledged trading assets	-	10,119,159	-	-	2,114,404	-	1,992,773	-	-	-
Derivative financial instruments	29,447	-	-	-	-	-	-	-	-	-
Loans and advances to banks	22,463,310	-	-	-	-	-	-	-	56,500,033	-
Loans and advances to customers	6,777,681	28,467,321	3,632,070	4,242,434	3,426,494	2,753,387	937,248	-	-	-
Investment securities	22,356,206	2,395,464	2,927,472	2,834,070	-	62,028	-	-	-	-
Other assets	826,124	4,009,346	547,309	203,652	1,470,875	228,902	270,628	-	1,900,027	-
Investment in associates	-	19,059	-	-	-	-	-	-	-	-
Investment in subsidiaires	-	-	-	-	-	-	-	460,579	-	-
Property and equipment	62,265	1,948,035	13,441	709,362	504,177	535,876	205,564	-	-	-
Intangible assets	40,223	149,349	74,781	52,031	19,864	25,590	16,012	-	-	-
Deferred tax assets	293,032	-	-	-	427,287	-	91,554	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	2,847,741
	154,462,918	65,764,436	11,267,402	9,553,417	9,799,252	4,446,536	5,265,982	460,579	58,473,270	2,847,741
Financed by:										
Deposits from banks	106,834,234	1,000,781	5,607	-	231,929	510,618	-	-	-	-
Deposits from customers	33,210,249	47,872,002	8,823,609	8,278,860	8,556,023	2,964,587	3,950,819	-	-	-
Derivative Liability	32,955	-	-	-	-	-	-	-	-	-
Debt securities issued	-	-	-	-	-	-	-	-	55,828,249	-
Retirement benefit obligations	-	-	-	-	-	-	3,326	-	-	-
Current income tax liability	-	606,473	-	(2,322)	-	-	-	-	8,545	-
Other liabilities	311,316	1,135,156	485,560	484,433	830,526	189,111	286,432	-	2,170,273	-
Borrowings	-	1,017,544	-	-	-	-	-	-	-	-
Deferred tax liability	-	166,643	-	-	-	-	-	-	-	-
Liabilities classified as held for sale	-	-	-	-	-	-	-	-	-	(1,499,495)
Equity	14,074,164	13,965,837	1,952,626	792,446	180,774	782,220	1,025,405	460,579	466,203	(1,348,246)
	-	-	-	-	-	-	-		-	-
	154,462,918	65,764,436	11,267,402	9,553,417	9,799,252	4,446,536	5,265,982	460,579	58,473,270	(2,847,741)
Net cashflow from investing activities	(14,432,257)	7,468,969	(1,045,459)	(1,462,237)	10,957	(71,651)	(122,952)	-	-	-
Net cashflow from financing activities	4,161,776	(266,456)	-		-	(22,466)	-	-	(2,236,147)	-
Increase in cash and cash equivalents	(2,203,680)	14,085,484	(601,416)	(3,322,390)	260,715	108,547	469,124	-	(2,163,234)	-
Cash and cash equivalent, beginning of year	93,547,615	11,690,372	3,759,203	3,445,126	1,416,211	637,505	846,418	-	220	-
Cash and cash equivalent, end of year	91,343,935	25,775,856	3,157,787	122,736	1,676,926	746,052	1,315,542	-	(2,163,014)	-

30 Property and equipment

Group

In thousands of Naira

	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost						
Balance at 1 January 2014	53,782,026	12,708,148	24,439,933	7,745,878	6,108,452	104,784,437
Acquisitions	2,895,060	3,291,206	3,885,644	1,794,534	1,729,108	13,595,552
Disposals	(2,750,769)	(416,496)	(1,439,907)	(939,616)	(127,340)	(5,674,128)
Transfers	607,901	15,483	23,228	4,848	(651,460)	-
Write-Offs	(1,407)	-	(1,139,194)	-	-	(1,140,601)
Translation difference	148,334	114,080	(205,510)	(239,362)	(42,399)	(224,857)
Balance at 31 December 2014	**54,681,145**	**15,712,421**	**25,564,194**	**8,366,282**	**7,016,361**	**111,340,404**
Balance at 1 January 2013	50,399,801	25,517,339	29,770,062	12,964,846	10,758,289	129,410,337
Acquisitions	6,931,558	1,402,808	4,299,440	1,603,968	531,082	14,768,856
Disposals	(786,222)	(18,995)	(729,628)	(842,795)	(1,309,945)	(3,687,585)
Transfers	1,886,263	9,827	1,920,451	63,321	(3,879,862)	-
Write offs	(1,498,501)	(5,066,959)	(3,594,610)	(2,123,712)	-	(12,283,782)
On disposal of subsidiary	(2,782,931)	(9,007,928)	(6,977,773)	(3,775,488)	-	(22,544,120)
Translation difference	(367,942)	(127,944)	(248,009)	(144,262)	8,888	(879,269)
Balance at 31 December 2013	53,782,026	12,708,148	24,439,933	7,745,878	6,108,452	104,784,438

Depreciation and impairment losses	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2014	6,241,450	9,603,718	16,617,943	5,078,021	-	37,541,132
Charge for the year	1,589,332	1,848,403	3,192,072	1,293,034	-	7,922,841
Disposal	(167,198)	(352,812)	(1,163,919)	(727,268)	-	(2,411,197)
Write-Offs	(1,407)	-	(1,131,504)	-	-	(1,132,911)
Translation difference	61,017	(144,130)	(5,212)	(150,843)	-	(239,168)
Balance at 31 December 2014	**7,723,194**	**10,955,179**	**17,509,380**	**5,492,944**	**-**	**41,680,697**
Balance at 1 January 2013	9,176,583	20,884,685	23,764,029	10,950,602	-	64,775,899
Charge for the year	1,213,580	1,633,226	3,064,388	1,575,406	-	7,486,600
Disposal	(132,953)	(108,179)	(110,558)	(724,212)	-	(1,075,902)
Write-Offs	(1,258,663)	(4,200,550)	(3,228,455)	(3,135,238)	-	(11,822,906)
On disposal of subsidiary	(2,674,660)	(8,528,388)	(6,719,305)	(3,523,260)	-	(21,445,613)
Translation difference	(82,437)	(77,076)	(152,156)	(65,277)	-	(376,946)
Balance at 31 December 2013	6,241,450	9,603,718	16,617,943	5,078,021	-	37,541,132
Carrying amounts:						
Balance at 31 December 2014	**46,957,951**	**4,757,242**	**8,054,814**	**2,873,338**	**7,016,361**	**69,659,706**
Balance at 31 December 2013	47,540,576	3,104,430	7,821,990	2,667,857	6,108,452	67,243,305

30 Property and equipment
Bank

In thousands of Naira	Land and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Cost						
Balance at 1 January 2014	50,375,733	11,531,838	22,442,381	6,708,380	6,013,544	97,071,876
Acquisitions	2,439,886	3,093,581	3,334,290	1,496,580	947,468	11,311,805
Disposals	(2,750,769)	(416,496)	(1,329,668)	(752,663)	(127,340)	(5,376,936)
Transfers	607,901	12,065	23,228	4,848	(648,042)	-
Write-Offs	-	-	(1,139,194)	-	-	(1,139,194)
Balance at 31 December 2014	**50,672,751**	**14,220,988**	**23,331,037**	**7,457,145**	**6,185,630**	**101,867,551**
Balance at 1 January 2013	42,626,272	10,263,732	19,290,330	6,058,836	8,653,438	86,892,608
Acquisitions	6,649,453	1,274,589	3,846,279	1,370,738	455,647	13,596,706
Disposals	(785,249)	(10,492)	(729,628)	(734,004)	(1,158,065)	(3,417,438)
Transfers	1,885,257	4,009	35,400	12,810	(1,937,476)	-
Balance at 31 December 2013	50,375,733	11,531,838	22,442,381	6,708,380	6,013,544	97,071,876

Depreciation and impairment losses	Leasehold improvement and buildings	Computer hardware	Furniture & fittings	Motor vehicles	Capital Work-in - progress	Total
Balance at 1 January 2014	5,477,164	8,716,667	15,330,242	4,344,558	-	33,868,631
Charge for the year	1,472,566	1,619,002	2,929,841	1,097,522	-	7,118,931
Disposal	(167,198)	(352,812)	(1,057,394)	(571,428)	-	(2,148,832)
Write-Off	-	-	(1,131,506)	-	-	(1,131,506)
Balance at 31 December 2014	**6,782,532**	**9,982,857**	**16,071,183**	**4,870,652**	**-**	**37,707,224**
Balance at 1 January 2013	4,577,907	7,284,568	12,463,095	3,628,589	-	27,954,159
Charge for the year	1,020,880	1,441,493	2,946,042	1,294,067	-	6,702,482
Disposal	(121,623)	(9,394)	(78,895)	(578,098)	-	(788,010)
Balance at 31 December 2013	5,477,164	8,716,667	15,330,242	4,344,558	-	33,868,631
Carrying amounts:						
Balance at 31 December 2014	**43,890,219**	**4,238,131**	**7,259,854**	**2,586,493**	**6,185,630**	**64,160,327**
Balance at 31 December 2013	44,898,569	2,815,171	7,112,139	2,363,822	6,013,544	63,203,245

(a) Included in property and equipment is land under Nigerian law, all land vests with government and subject to a 99year lease. As such land has been accounted for as a finance lease in line with the amendment to IAS 17 *Leases* which deletes previous guidance stating that “a lease of land with an indefinite economic life is classified as an operating lease”.

(b) The amount of contractual commitments for the acquisition of property and equipment as at 31 December 2014 is N1,990,906,324
(31 December 2013: N1,541,766,732)

(c) Estimates of useful life and residual value, and the method of depreciation, are reviewed at a minimum at each reporting period. Any changes are accounted for prospectively as a change in estimate.

31 Group

In thousands of Naira	Goodwill	WIP	Purchased Software	Total
Cost				
December 2014				
Balance at 1 January 2014	681,007	-	7,297,795	7,978,802
Acquisitions	-	740,711	2,617,984	3,358,695
Translation difference	-	-	30,695	30,695
Balance at 31 December 2014	**681,007**	740,711	**9,946,474**	**11,368,192**
December 2013				
Balance at 1 January 2013	681,007	-	9,682,951	10,363,958
Acquisitions	-	-	1,555,181	1,555,181
Transfer from other assets	-	-	8,614	8,614
Amount written off	-	-	(105,613)	(105,613)
Translation difference	-	-	231,943	231,943
On disposal of subsidiary	-	-	(4,075,281)	(4,075,281)
Balance at 31 December 2013	681,007	-	7,297,795	7,978,802
Amortization and impairment losses				
Balance at 1 January 2014	-	-	4,319,730	4,319,730
Amortization for the year	-	-	1,315,332	1,315,332
Translation difference	-	-	140,139	140,139
Balance at 31 December 2014	-	-	**5,775,201**	**5,775,201**
Balance at 1 January 2013	-	-	6,959,014	6,959,014
Amortization for the period	-	-	1,227,944	1,227,944
Amount written off	-	-	(105,613)	(105,613)
Reclassification	-	-	(6,405)	(6,405)
Translation difference	-	-	254,460	254,460
On disposal of subsidiary	-	-	(4,009,670)	(4,009,670)
Balance at 31 December 2013	-	-	4,319,730	4,319,730
Net Book Value				
Balance at 31 December 2014	**681,007**	**740,711**	**4,171,273**	**5,592,991**
Balance at 31 December 2013	681,007	-	2,978,065	3,659,072

There were no capitalised borrowing costs related to the internal development of software during the year under review. 31 December 2014 (2013: nil). Computer software has a definite useful life of not more than five years in line with the Bank's accounting policy, while Goodwill has an indefinite useful life and is annually assessed for impairment.

Intangible assets
Bank

In thousands of Naira	WIP	Purchased Software	Total
Cost			
December 2014			
Balance at 1 January 2014	-	6,002,340	6,002,340
Acquisitions	740,711	2,253,260	2,993,971
Balance at 30 December 2014	740,711	8,255,600	8,996,311
December 2013			
Balance at 1 January 2013	-	4,708,185	4,708,185
Acquisitions	-	1,399,768	1,399,768
Amount written off	-	(105,613)	(105,613)
Balance at 31 December 2013	-	6,002,340	6,002,340
Amortization and impairment losses			
Balance at 1 January 2014	-	3,340,787	3,340,787
Amortization for the period	-	1,218,710	1,218,710
Balance at 31 December 2014	-	4,559,497	4,559,497
Balance at 1 January 2013	-	2,368,675	2,368,675
Amortization for the period	-	1,077,725	1,077,725
Amount written off	-	(105,613)	(105,613)
Balance at 31 December 2013	-	3,340,787	3,340,787
Carrying amounts			
Balance at 31 December 2014	**740,711**	**3,696,103**	**4,436,814**
Balance at 31 December 2013	-	2,661,553	2,661,553

Work in progress (WIP) represents the costs being incurred and captalised for the ugrade and subsequent deployment of the the Bank's core banking software.

31(b) Intangible assets

(i) Goodwill is attributable to the acquisition of following subsidiaries:

In thousands of Naira	December 2014	December 2013
Access Bank Rwanda	681,007	681,007
	681,007	681,007

There were no capitalised borrowing costs related to the internal development of software during the year ended 31 December 2014 (31 December 2013: nil). The recoverable amount of Goodwill as at 31 December 2014 is greater than its carrying amount and is thus not impaired.

(ii) Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. No impairment losses on goodwill were recognized during the period under review 31 December 2014 (2013: Nil)

The recoverable amount of Goodwill as at 31 December 2014 is greater than its carrying amount and is thus not impaired.
The recoverable amount was determined using a value-in-use computation as N1.649Bn.

Goodwill is monitored by the Group on an entity by entity basis
The key assumption used in computing the value-in-use for goodwil in 2014 are as follows:

	Access Bank Rwanda
Compound annual volume growth (i)	10.31%
Long term growth rate (ii)	10.32%
Discount rate (ii)	15.18%

(i) Compound annual volume growth rate in the initial five-year period.
(ii) Weighted average growth rate used to extrapolate cash flows beyond the budget period.
(ii) Pre-tax discount rate applied to the cash flow projections.

Cash Flow Forecast
Cash flows were projected based on past experience, actual operating results and the 5-year business plan. These cashflows are based on the expected revenue growth for the entity over this 5-year period.

Growth Rates
Pre-tax discount rate of 15.18% was applied in determining the recoverable amounts for the only entity with goodwil (Access Bank Rwanda). This discount rate was estimated based on past experience, inflation rate, risk-free rate and the weighted average cost of capital allocated by the Group to these units.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount.

Sensitvitiy analysis of key assumptions used

	10% increase	10% decrease
Impact of change in discount rate on value-in-use computation	(38,271)	19,721
Impact of change in growth rate on value-in-use computation	10,260	(10,167)

32 Deferred tax assets and liabilities

(a) Group

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2014			December 2013		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	6,625,003	-	6,625,003	2,462,099	-	2,462,099
Allowances/(Reversal) for loan losses	2,417,726	-	2,417,726	1,951,192	-	1,951,192
Tax loss carry forward	2,339,675	-	2,339,675	5,937,642	-	5,937,642
Exchange gain/(loss) unrealised	-	(1,438,632)	(1,438,632)	-	(180,476)	(180,476)
Fair value gain on investment property	-	(560,029)	(560,029)	-	(485,029)	(485,029)
Others	-	-	-	-	(49,938)	(49,938)
	-	-	-	-	-	-
Actuarial loss on retirement benefit obligation	1,439,202	-	1,439,202	1,014,284	-	1,014,284
Deferred tax assets (net)	12,821,606	(1,998,661)	10,822,945	11,365,217	(715,443)	10,649,774

(b) Bank

Deferred tax assets and liabilities are attributable to the following:

In thousands of Naira	December 2014			December 2013		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Property and equipment, and software	6,399,965	-	6,399,965	2,384,904	-	2,384,904
Allowances/(Reversal) for loan losses	2,292,341	-	2,292,341	1,928,274	-	1,928,274
Tax loss carry forward	1,936,652	-	1,936,652	5,159,612	-	5,159,612
Exchange gain/(loss) unrealised	-	(1,379,594)	(1,379,594)	-	(154,192)	(154,192)
Fair value gain on investment property	-	(560,029)	(560,029)	-	(485,029)	(485,029)
Actuarial loss on retirement benefit obligation	1,439,202	-	1,439,202	1,014,284	-	1,014,284
Net defered tax assets/(liabilities)	12,068,160	(1,939,623)	10,128,537	10,487,074	(639,221)	9,847,853

There were no unrecognized deferred tax assets or liabilities as at 31 December 2014 (31 December 2013: nil)

	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Deferred income tax assets				
– Deferred income tax asset to be recovered after more than 12 months	4,757,401	1,456,388	4,228,993	7,087,886
– Deferred income tax asset to be recovered within 12 months	8,064,205	9,908,829	7,839,167	3,399,188
	12,821,606	11,365,217	12,068,160	10,487,074
Deferred income tax liabilities				
– Deferred income tax liability to be recovered after more than 12 months	(560,029)	(534,967)	(560,029)	(485,029)
– Deferred income tax liability to be recovered within 12 months	(1,438,632)	(180,476)	(1,379,594)	(154,192)
	(1,998,661)	(715,443)	(1,939,623)	(639,221)

(c) Movement on the net deferred tax assets / (liabilities) account during the year:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Balance, beginning of year	10,649,774	8,113,973	9,847,853	7,007,389
Tax Credit/(charge)	(140,424)	1,829,274	(144,234)	2,171,799
Translation adjustments	(111,324)	37,862	-	-
Items included in OCI	424,919	668,665	424,919	668,665
Net deferred tax assets/(liabilities)	10,822,945	10,649,774	10,128,537	9,847,853
Out of which				
Deferred tax assets	12,821,606	11,365,217	12,068,160	10,487,074
Deferred tax liabilities	(1,998,661)	(715,443)	(1,939,623)	(639,221)

Temporary difference relating to the Group's Investment in subsidiaries as at December 2014 is N1.3billion (Dec 2013: N3.4 billion). As the Group exercises control over the subsidiaries, it has the power to control the timing of the reversals of the temporary difference arising from its investments in them. The group has determined that the subsidiaries' profits and reserves will not be distributed in the foreseeable future and that the subsidiaries will not be disposed of. Hence, the deferred tax arising from the temporary differences above will not be recognised.

Items included in Other Comprehensive Income

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Actuarial gain/loss on retirement benefit obligation				
Gross loss on retirement benefit obligation	1,416,394	2,228,885	1,416,394	2,228,885
Deferred tax @ 30%	(424,919)	(668,665)	(424,919)	(668,665)
Net balance loss after tax	991,475	1,560,220	991,475	1,560,220

33 Non-current assets and non-current liabilities held for sale

(a) Non-current assets held for sale

In 2013, Access Bank Plc took over collateral of some customers and these were recorded in the books as Investment properties, as the Bank had no intention to make use of the property for administrative use. During the year, management initiated a plan to dispose of these assets to willing buyers to comply with the CBN directive to dispose of its non-core assets and thus has been classified as assets held for sale. Management expects to have completed the transaction before the end of the next financial year. This amount has been presented in Note 7 as unallocated segment in accordance with IFRS 8.

Assets held for sale

In thousands of Naira	**Group December 2014**	**Bank December 2014**
Transfer from investment properties	22,688,484	22,688,484
Fair value gain on assets held for sale	750,000	750,000
	23,438,484	**23,438,484**

(b) Assets of disposal group classified as held for sale

As at 31 December 2013, Access Bank Burundi was presented as disposal group held for sale following the commitment of the Group's management to a plan to sell the operations of the subsidiary. The sale was eventually concluded in February 2014.
The disposal groups comprised assets and liabilities as follows:

For the year ended 31 December 2013

In thousands of Naira	**Access Bank Burundi**	**Total**
Cash and balances with banks	900,046	900,046
Loans and advances to customers	576,434	576,434
Investment securities	703,723	703,723
Property and equipment	266,853	266,853
Other assets	66,590	66,590
Intangible assets	334,094	334,094
Total assets	**2,847,740**	**2,847,740**
Deposits from banks	972,741	972,741
Deposits from customers	405,327	405,327
Other liabilities	121,427	121,427
Total liabilities	**1,499,495**	**1,499,495**
Net assets of disposal group	**1,348,245**	**1,348,245**

34 Deposits from financial institutions

In thousands of Naira	**Group December 2014**	**Group December 2013**	**Bank December 2014**	**Bank December 2013**
Money market deposits	89,965,383	17,953,460	72,171,314	8,191,490
Trade related obligations to foreign banks	29,080,040	54,194,496	62,338,348	53,103,862
	119,045,423	**72,147,956**	**134,509,662**	**61,295,352**

35 Deposits from customers

In thousands of Naira	**Group December 2014**	**Group December 2013**	**Bank December 2014**	**Bank December 2013**
Term deposits	629,193,734	501,645,662	586,973,213	455,231,840
Demand deposits	695,850,419	711,561,291	616,476,341	655,747,608
Saving deposits	129,374,899	118,211,706	121,351,057	106,197,344
	1,454,419,052	**1,331,418,659**	**1,324,800,611**	**1,217,176,792**

36 Other liabilities

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Financial liabilities				
Certified and bank cheques	3,166,277	3,242,082	1,978,995	3,180,644
E-banking payables	2,769,805	4,110,041	1,830,591	3,937,296
Collections account balances	2,355,222	17,679,787	1,695,416	17,635,881
Due to subsidiaries	-	-	389,662	489,035
Accruals	104,309	584,418	32,438	107,331
Creditors	1,316,758	1,521,338	469,209	235,219
Customer deposits for foreign exchange	8,700,913	20,968,919	8,594,218	20,705,859
Agency services	289,769	1,384,537	253,264	1,335,675
Other financial liabilities	1,498,749	5,215,291	434,396	3,254,313
	20,201,802	54,706,413	15,678,189	50,881,253
Non-financial liabilites				
Litigation claims provision (see below)	311,120	477,087	311,120	477,087
Other current liabilties	1,176,157	1,663,716	880,823	734,219
Total other liabilities	**21,689,079**	**56,847,216**	**16,870,132**	**52,092,559**
Within 12 months	20,512,922	55,183,500	15,989,309	51,358,340
After 12 months	311,120	477,087	311,120	477,087

(i) **Movement in litigation claims provision**	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Opening balance	477,087	-	477,087	-
Additions	134,033	477,087	134,033	477,087
Provision no longer required	(300,000)	-	(300,000)	-
Closing balance	**311,120**	**477,087**	**311,120**	**477,087**

37 Debt securities issued

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Debt securities at amortized cost:				
Eurobond debt from Access Bank B.V (see (i) below)	65,325,788	55,828,248	-	-
Eurobond debt security (see (ii) below)	73,155,391	-	73,155,391	-
	138,481,179	**55,828,248**	**73,155,391**	**-**

(i) This refers to US$350,000,000 guaranteed notes with amortized cost equivalent as at 31 December 2014 of N65,325,788,000 issued on 25 July 2012 by Access Finance B.V., Netherlands with a maturity date of 25 July 2017;

(ii) This refers to US$400,000,000 subordinate notes with amortized cost of N73,155,391,000 of 9.25% resettable interest issued on 24 June 2014 by Access Bank Nigeria with a maturity date of 24 June 2021.

The principal amount on both notes are payable at maturity, whilst interest is payable on a semi-annual basis at their respective interest rates.

38 Interest bearing borrowings

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
African Development Bank (see note (a))	18,597,477	2,405,673	18,597,477	2,405,673
Netherlands Development Finance Company (see note (b))	4,148,590	1,550,047	4,148,590	1,550,047
French Development Finance Company (see note (c))	8,066,584	4,798,841	8,066,584	4,798,841
Finnish Fund for Industrial Cooperation (FINFUND)(see note (d))	156,136	400,906	156,136	400,906
Belgian Investment Company for Developing Countries (BIO)(see note (e))	-	160,585	-	160,585
European Investment Bank (see note (f))	9,736,463	7,518,413	9,736,463	7,518,413
International Finance Corporation (see note (g))	7,716,067	8,239,763	7,716,067	8,239,763
Central Bank of Nigeria under the Commercial Agriculture Credit Scheme (see note (h))	3,943,692	8,750,000	3,943,692	8,750,000
Bank of Industry-Intervention Fund for SMEs (see note (i))	9,025,449	12,797,671	9,025,449	12,797,671
Bank of Industry-Power & Airline Intervention Fund (see note (j))	14,407,194	16,699,539	14,407,194	16,699,539
Access Finance B.V. (see note (k))	-	-	66,529,458	57,020,588
Special Refinancing & Restructuring Intervention fund (SRRIF) see note (l)	4,000,000		4,000,000	-
Other loans and borrowings	18,657	1,017,544	18,657	-
	79,816,309	**64,338,982**	**146,345,767**	**120,342,026**

There have been no defaults in any of the borrowings covenants during the year.

(a) The amount of N18,597,476,752 (USD 99,959,563) represents the outstanding balance in the on-lending facility granted to the Bank by ADB (Africa Development Bank) in two tranches one in August 2007 (USD 12.5m)for a period of 9 years and the other in August 2014 (USD 90m) for a period of 10years. The principal amount is repayable semi-annually from February 2010 for the first tranche and February 2017 for the second. Interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.28% and 2.16% respectively.

(b) The amount of N4,148,589,519(USD 22,298,251) represents the outstanding balance in the on-lending facility granted to the Bank by the Netherlands Develoment Finance Company effective from 15 December 2012 and disbursed in two tranches; February 2013 (USD 10m) and October 2013 (USD 15m) for a period of 6.5 years. The principal amount is repayable semi-annually from December 2014 while interest is paid semi annually at 3.75% above 6 months LIBOR. The annual effective interest rate is 5.28% for the first tranche and 4.04% for the second tranche.

(c) The amount of N8,066,584,028 (USD 43,357,076) represents the outstanding balance in the on-lending facility granted to the Bank by the French Development Finance Company effective from 15 December 2012 and disbursed in three tranches; February 2013 (USD 6m) and October 2013 (USD 9m) and November 2014 (USD 30m) for a period of 6.5 years and 5 years respectively. The principal amount is repayable semi-annually from December 2014 and January 2014 while interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.43% for the first tranche, 4.15% for the second tranche and 4.58% for the third tranche.

(d) The amount of N156,135,991 (USD 839,215) represents the outstanding balance in the on-lending facility granted to the Bank by the Finnish Fund for Industrial Cooperation in July 2007 for a period of 8 years. The principal amount is repayable semi-annually from September 2012 while interest is paid semi annually at 3% above 6 months LIBOR. The annual effective interest rate is 4.45%.

(e) The on-lending facility granted to the Bank by the Belgian Investment Company for developing countries in March 2007 for a period of 7 years was fully repaid in September 2014.

(f) The amount of N9,736,463,087 (USD 52,332,508) represents the outstanding balance in three on-lending facilities granted to the Bank by the European Investment Bank (EIB) in May 2013(USD 25m), September 2013 (USD 26.75m) and June 2014 (USD 14.7m) and for a period of 6 years each. The average annual effective interest rates are 3.6%, 3.05% and 3.18% for the latter.

(g) The amount of N7,716,066,864(USD 41,473,082) represents the outstanding balance on the on-lending facilities granted to the Bank by the International Finance Corporation (IFC) in November 2013 (USD 50m) for a period of 5 years. The principal and interest repayments are made semi-annually from September 2011 (the former) and from November 2013 (the later). The Effective interest rate is 4.88%.

(h) The amount of N3,943,691,584 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.

(i) The amount of N9,025,448,967 represents an outstanding balance on the 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 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.

(j) The amount of N14,407,193,584 represents the outstanding balance on intervention credit granted to the Bank by the Bank of Industry (BOI), a company incorporated in Nigeria, to be applied to eligible power and airline projects. The total facility has a maximum tenor of 15 years. 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 within the power and aviation sectors, the Bank remains the primary obligor to the BOI and therefore assumes the risk of default of customers.

(k) The amount of N66,529,457,688 (USD350,000,000) represents the borrowings of Access Bank Plc from Access Finance BV in respect of the dollar guaranteed notes issued by Access Finance B.V., Netherlands which is due on 25 July 2017. The notes were issued on 25 July 2012 for a period of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7.34%, in arrears on 25 January and 25 July in each year. The annual effective interest rate is 7.65%.

(l) The amount of N4,000,000,000 represents the outstanding balance on intervention credit granted to the bank by the Bank of Industry (BOI) under the Special refinancing and Restructuring intervention fund, with a 10 year tenor which is due on the 31 August 2024. The bank has a 36 months moratorium on the facility after which principal repayment will be charged quarterly. 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.

39 Retirement benefit obligations

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Recognised liability for defined benefit obligations (see note (a) below)	3,267,364	1,929,695	3,267,364	1,929,695
Liability for defined contribution obligations	1,736	3,326	-	-
	3,269,100	**1,933,021**	**3,267,364**	**1,929,695**

(a) **Defined benefit obligations**

The amounts recognised in the statement of financial position are as follows:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Long term incentive plan (see note (i) below)	3,267,364	1,929,695	3,267,364	1,929,695
Recognised liability	**3,267,364**	**1,929,695**	**3,267,364**	**1,929,695**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(i) **Long term incentive plan**

The Bank operates a non-contributory, unfunded lump sum defined benefit long term incentive plan for top executive management of the Bank from General Manager and above based on the number of years spent in these positions. The scheme is also aimed at rewarding executive directors and other senior executives for the contributions to achieving the Bank's long-term growth objectives.

There is no funding arrangement with a trustee for the long term incentive plan as the Bank pays for all obligations from its current year profit as such obligations fall due. Depending on their grade, executive staff of the Bank upon retirement are entitled to certain benefits based on their length of stay on that grade.

The amount recognised in the statement of financial position is as follows:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Deficit on defined benefit obligations at 1 January	1,929,695	2,220,841	1,929,695	2,220,841
Charge for the period:				
-Interest costs	241,705	145,865	241,705	145,865
-Current service cost	179,570	264,726	179,570	264,726
-Past service cost		390,578		390,578
-Benefits paid	(500,000)	(3,321,200)	(500,000)	(3,321,200)
Net actuarial loss for the year remeasured in OCI				
Remeasurements - Actuarial gains and losses arising from changes in demographic assumptions	216,864	(114,149)	216,864	(114,149)
Remeasurements - Actuarial gains and losses arising from changes in financial assumption	1,199,530	2,343,034	1,199,530	2,343,034
Balance, end of year	**3,267,364**	**1,929,695**	**3,267,364**	**1,929,695**
Expense recognised in income statement:				
Current service cost	179,570	264,726	179,570	264,726
Interest on obligation	241,705	145,865	241,705	145,865
Past service cost		390,578		390,578
Total expense recognised in profit and loss (see Note 14)	**421,275**	**801,169**	**421,275**	**801,169**

The weighted average duration of the defined benefit obligation is 11years. The information on the maturity profile of the defined benefit plan includes the maturity analysis and the distribution of the timing of payment. The estimated contribution to the plan for the next annual reporting period is: N0.996Bn

31 December 2014

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Other comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in liability by 6.0%	3,070,360	1,219,389
Effect of changes in assumption to the salary growth	Increase in liability by 6.5%	3,479,070	1,628,099

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Other comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in the liability by 6.7%	3,485,329	1,634,358
Effect of changes in assumption to the salary growth	Decrease in the liability by 5.9%	3,074,305	1,223,334

31 December 2013

In thousands of Naira	Impact on defined benefit obligation		
	Decrease in assumption by 1%	**Liability changes to**	**Other comprehensive income**
Effect of changes in the assumption to the discount rate	Increase in liability by 5.96%	2,044,695	2,343,885
Effect of changes in assumption to the salary growth	Nil	-	-

	Impact on defined benefit obligation		
	Increase in assumption by 1%	**Liability changes to**	**Other comprehensive income**
Effect of changes in the assumption to the discount rate	Decrease in the liability by 5.39%	1,825,615	2,124,805
Effect of changes in assumption to the salary growth	Increase in the liability by 4.79%	2,022,070	2,321,260

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Actuarial assumptions:

Principal actuarial assumptions at the reporting date (expressed as weighted averages):
The most recent valuation was performed by Alexander Forbes as at 31 December 2014.

	Dec 2014	Dec 2013
Future salary increases	4.50%	0.00%
Retirement age for both male and female	60 years	60 years
Retirement rate: 50 – 59 (average rate)	3.25%	3.10%
Withdrawal rate: 16 – 29	4.50%	4.50%
Withdrawal rate: 30 – 44	6.00%	5.50%
Withdrawal rate: 45 – 50	5.00%	5.00%
Withdrawal rate: 51 – 55 (average rate)	3.50%	3.60%

Assumptions regarding future mortality before retirement are based on A49/52 ultimate table published by the Institute of Actuaries of United Kingdom. The rate used to discount post employment benefit obligations has been determined by reference to the yield on Nigerian Government bonds of medium duration. This converts into an effective yield of 13% as at 31 December 2014. For members in active service as at the valuation date, the projected unit credit method of valuation as required under the IFRS has been adopted.

40 Capital and reserves

A Share capital

	In thousands of Naira	Bank December 2014	Bank December 2013
(a)	Authorised:		
	Ordinary shares:		
	38,000,000,000 Ordinary shares of 50k each (2013: 24,000,000,000 ordinary share of 50k each)	19,000,000	12,000,000
	Preference shares:		
	2,000,000,000 Preference shares of 50k each	1,000,000	1,000,000
		20,000,000	13,000,000

	In thousands of Naira	Bank December 2014	Bank December 2013
(b)	Issued and fully paid-up :		
	22,882,918,908 Ordinary shares of 50k each	11,441,460	11,441,460

Ordinary shareholding:

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Bank. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the Bank.

Preference shareholding:

Preference shares do not carry the right to vote. Preference shareholders have priority over ordinary shareholders with regard to the residual assets of the Bank and participate only to the extent of the face value of the shares plus any accrued dividends. No preference shares were in issue as at the end of the reporting period.

The movement on the issued and fully paid-up share capital account during the year was as follows:

In thousands of Naira	Bank December 2014	Bank December 2013
Balance, beginning of year	11,441,460	11,441,460
Balance, end of year	11,441,460	11,441,460

(c) The movement on the number of shares in issue during the year was as follows:

In thousands of units	Group December 2014	Group December 2013
Balance, beginning of year	22,882,919	22,882,919
Balance, end of year	22,882,919	22,882,919

B Share premium
Share premium is the excess paid by shareholders over the nominal value for their shares.

In thousands of Naira	Group December 2014	Group December 2013
Share premium	161,036,211	161,036,211

C Reserves

(i) Other Reserves

a Statutory reserves
Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by S.16(1) of the Banks and Other Financial Institution Act of Nigeria, an appropriation of 30% of profit after tax is made if the statutory reserve is less than paid-up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up share capital.

b Small and Medium Scale Industries Reserve (SMEEIS)
The SMEEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed 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 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.

(ii) Share scheme reserve
This represents the total expenses incurred in providing the Bank's shares to its qualifying staff members under the RSPP scheme.

(iii) Treasury shares
This represents the shares held by the new RSPP scheme which have not yet been allocated to staff based on the pre-determined vesting conditions.

(iv) 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 50 kobo each of the Bank in issue to 6,978,160,860 ordinary shares of 50 kobo each by the creation of 1 ordinary shares previously held.

(v) Fair value reserve
The fair value reserve comprises the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(vi) Foreign currency translation reserve
This balance appears only in the Group accounts and represents the foreign currency exchange difference arising from translating the results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency.

(vii) Regulatory risk reserve
The regulatory risk reserves warehouses the difference between the allowance for impairment losses on balance on loans and advances based on Central Bank of Nigeria prudential guidelines and Central Bank of the foreign subsidiaries regulations, compared with the loss incurred model used in calculating the impairment under IFRSs.

(viii) Retained earnings
Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

(ix) Merger reserves
The merger reserve in 31 December 2013 represents the difference between the consideration paid by Access Bank as the acquirer and its (Access Bank's share) of the net assets of Intercontinental Bank Limited (acquiree). Pursuant to the acquisition of Intercontinental Bank, Access Bank Group was restructured based on a scheme of merger dated 01 December 2011. As part of the merger process, Intercontinental Bank was dissolved as a legal entity on 23 January 2012 and its operations integrated into Access Bank Plc.

(x) Contingency reserves
The contingency reserve in 31 December 2013 represents the reserve that was set aside from retained earnings for the contingencies to guard against the risk that would arise from the merger and acqusition of Intercontinental bank.

D Non-controlling interest

This represents the Non-controlling interest's (NCI) portion of the net assets of the Group

In thousands of Naira	Group December 2014	Group December 2013
Access Bank, Gambia	649,264	104,022
Access Bank, Sierra Leone	36,763	20,508
Access Bank Zambia	243,623	329,770
Access Bank, Rwanda	587,337	488,156
Access Bank, Burundi	-	127,361
Access Bank, Congo	703,604	-
Access Bank, Ghana	1,310,252	698,292
	3,530,843	**1,768,109**

This represents the NCI share of profit for the year for the Group

In thousands of Naira	Group December 2014	Group December 2013
Access Bank, Gambia	109,562	38,345
Access Bank, Sierra Leone	1,078	1,456
Access Bank Zambia	(43,609)	1,735
Access Bank, Rwanda	41,247	12,628
Access Bank, Burundi	-	(7,006)
Access Bank, Congo	62,585	-
Access Bank, Ghana	390,020	148,604
	560,883	**195,762**

	Group December 2014	Group December 2013
Proportional Interest of NCI in subsidiaries	%	%
Access Bank, Gambia	36.0	13.0
Access Bank, Sierra Leone	3.0	3.0
Access Bank Zambia	8.0	13.0
Access Bank, Rwanda	25.0	25.0
Access Bank, Burundi	-	13.0
Access Bank Congo	26.0	-
Access Bank, Ghana	8.0	8.0

E Dividends

In thousands of Naira	Bank December 2014	Bank December 2013
Interim dividend paid (2014: 25k, 2013: 25k)	5,720,730	5,720,730
Interim non- cash dividend (2014: nil; 2013: 18k)	-	4,150,584
Final dividend paid (2014: nil; 2013: 35k)	-	8,009,048
	5,720,730	17,880,362
Number of shares	22,882,919	22,882,919
Dividend paid per share in kobo	25	78

The Directors proposed a final dividend of N0.35k for the year ended 31 December 2014

41 Contingencies

Claims and litigation

The Group is a party to numerous legal actions arising out of its normal business operations. The Directors believe that, based on currently available information and advice of counsel, none of the outcomes that result from such proceedings will have a material adverse effect on the financial position of the Group, either individually or in the aggregate. A provision of N311Mn has been made for the year ended 31 December 2014. 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.

Contingent liability and commitments

In common with other banks, Group conducts business involving acceptances, performance bonds and indeminities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, endorsements, guarantees and letters of credit.

Nature of instruments

An acceptance is undertaken by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related custom and performance bonds and are generally short term commitments to third parties which are not directly dependent on the customer's credit worthiness. Commitments to lend are agreements to lend to a customer in the future, subject to certain condictions. Such commitments are either made for a fixed period, or have no specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The table below summarises the fair value amount of contingent liabilities and commitments off-financial position risk:
Acceptances, bonds, guarantees and other obligations for the account of customers:

a. These comprise:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Contingent liabilities:				
Transaction related bonds and guarantees	165,466,393	158,715,258	145,831,160	142,850,060
Financial guarantees	91,373,327	54,741,356	72,221,845	46,956,539
	256,839,720	**213,456,614**	**218,053,005**	**189,806,599**
Commitments:				
Clean line facilities for letters of credit, unconfirmed letters of credit and other commitments	377,152,396	228,957,302	372,652,653	162,171,919
	633,992,116	**442,413,916**	**590,705,658**	**351,978,518**

The Bank granted clean line facilities for letters of credit during the year to guarantee the performance of customers to third parties.
Contractual capital commitments undertaken by the Bank during the year amounted to N1.99Bn (31 Dec 2013: N1.54Bn)

42 Cash and cash equivalent

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

In thousands of Naira	Group December 2014	Group December 2013	Bank December 2014	Bank December 2013
Cash on hand and balances with banks	44,519,023	104,264,577	31,313,736	99,378,167
Unrestricted balances with central banks	32,060,575	31,143,134	22,262,582	24,775,442
Money market placements and other cash equivalents	65,813,241	121,368,581	36,965,179	89,433,649
Treasury bills with original maturity of 90days	10,355,560	9,980,449	10,355,559	9,980,449
	152,748,399	**266,756,741**	**100,897,056**	**223,567,707**

Cash and cash equivalent for the purpose of the preparation of the statement of cash flows excludes cash collaterals held for letters of credit and the mandatory cash deposit held with the Central Bank of Nigeria.

43 Contraventions of the Banks and Other Financial Institutions Act of Nigeria and CBN circulars

S/N	Regulatory Body	Infraction	Penalty
i)	Central Bank of Nigeria	An approval was not obtained from the CBN for the additions to investment properties of N5.15 Billion as at 30 September 2013.	N2 million
ii)	Central Bank of Nigeria	Non Implementation of the recommendation per management letter on long outstanding items in CBN and RTGS accounts.	N2 million
iii)	Central Bank of Nigeria	Contravention of the CBN foreign exchange manual in selling business travel allowance to an expatriate with an expired passport.	N2 million
iv)	Central Bank of Nigeria	The Bank was penalised for weaknesses noted in its Internal control and KYC procedures	N2 million
v)	Central Bank of Nigeria	Contravention on the minimum documentation in the credit file for some customers in line with the CBN prudential guidelines for deposit money banks.	N2 million
vi)	Central Bank of Nigeria	Contravention on the reporting of public sector deposits in with CBN guidelines	N174 million

44 Events after reporting date

Subsequent to the end of the reporting period, the Board of Directors proposed a final dividend of N0.35k each on the issued share capital of 22,882,918,908 ordinary shares of 50 kobo each as at 31 December 2014. There are no other post balance sheet event that require disclosure in these consolidated financial statements.

45 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes, as well as key management personnel.

Transactions with key management personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Access Bank Plc and its subsidiaries.

Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc.

(a) Loans and advances to related parties

The bank granted various credit facilities to other companies which have common directors with the bank and those that are members of the Group. The rates and terms agreed are comparable to other facilities being held in the bank's portfolio. Details of these are described below:

Year ended 31 December 2014	Directors and other key management personnel (and close family members)	Subsidiaries	Associates	Total
In thousands of Naira				
Balance, beginning of year	83,796,489	12,479,220	-	**96,275,709**
Net movement during the year	(80,808,539)	43,153,451		**(37,655,088)**
Balance, end of year	2,987,950	55,632,671	-	58,620,621
Interest income earned	328,988	89,691		418,679
Bad or doubtful debts due from related parties expense	-	-	-	-

The loans issued to directors and other key management personnel (and close family members) as at 31 December 2014 of N2.99Bn are repayable in various cycles ranging from monthly to annually over the tenor, and have average interest rates of 14%. The loans advanced to the directors during the year are collateralised by a combination of lien on shares of quoted companies, fixed and floating debentures, corporate guarantee, negative pledge, domiciliation of proceeds of company's receivables, legal mortgages and cash.

The loan to subsidiaries relates to a foreign currency term loan facility of USD299M granted during the period. It is a non-collateralised loan advanced at an average interest rate of 0.5%. This loan has been eliminated on consolidation and does not form part of the reported Group loans and advances balance.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

(b) Deposits from related parties

	Directors (and close family members and related entities)	Subsidiaries	Associates	Total
Year Ended 31 December 2014				
In thousands of Naira				
Balance, beginning of year	58,977,652	7,210,122	-	**66,187,774**
Net movement during the year	(27,393,298)	33,771,728	-	**6,378,430**
Balance, end of year	31,584,354	40,981,850	-	**72,566,204**
Interest expenses on deposits	1,656,779	14,622	-	**1,671,401**

There are no special considerations for the related party deposits. Deposits from related parties are taken at arms length. The average rate on deposit from directors and other key management personnel which are majorly term deposit was approximately 11.38% while average rate on deposit from subsidiaries majorly demand deposits was approximately 2.04%.

(c) Borrowings from related parties

In thousands of Naira	Subsidiaries	Associates	Total
Borrowings at 1 January 2014	57,020,588	-	57,020,588
Net movement during the year	9,508,870	-	9,508,870
			-
Borrowings at 31 December 2014	66,529,458	-	66,529,458
			-
Interest expenses on borrowings	4,171,752	-	4,171,752

The borrowings from subsidiaries represent the borrowings of Access Bank Plc from Access Finance BV in respect of the dollar guaranteed notes issued by Access Finance B.V., Netherlands which is due on 25 July 2017. The notes were issued on 25 July 2012 for a period of 5 years with the principal amount repayable at the end of the tenor while interest on the Notes is payable semi-annually at 7.34%, in arrears on 25 January and 25 July in each year. The annual effective interest rate is 7.65%.

(d) Other balances and transactions with related parties

In thousands of Naira	Directors (and close family members and related entities)	Subsidiaries	Associates	Total
Cash and cash equivalent	-	8,992,169	-	8,992,169
Derivative financial instrument	-	-	-	-
Deposit for Investments	-	951,148	-	951,148
Receivables	-	707,290	-	707,290
Payables	-	669,243	-	669,243

(e) Key management personnel compensation for the year comprises:

Directors' remuneration

In thousands of Naira	December 2014	December 2013
Non-executive Directors		
Fees	46,500	46,500
Other emoluments:		
Allowances	268,543	216,093
	315,043	262,593
Executive directors		
Short term employee's benefit	680,435	711,264
Defined contribution plan	19,469	17,859
Share based payment	649	649
Long term incentive plan	500,000	3,321,200
	1,200,553	**4,050,972**
Total compensation to key management personnel	**1,515,596**	**4,313,565**

(f) Directors remuneration:

Remuneration paid to Directors of the Bank (excluding pension contributions and other benefits) was as follows:

In thousands of Naira	December 2014	December 2013
Fees as Directors	46,500	46,500
Other emoluments	38,256	17,190
Executives Directors	279,775	279,652
Other Directors	-	-
Allowances	230,288	216,243

The Directors renumeration show above includes

	December 2014	December 2013
Chairman	30,024	25,955
Highest paid Director	87,504	85,160

The emoluments of all other directors fell within the following ranges:

	December 2014	December 2013
N1,000,000 -N9,000,000	1	4
N9,000,001 - N13,000,000	-	
N13,000,001 -N20,000,000	-	1
N20,000,001 - N37,000,000	13	13
Above N37,000,000	3	2
	17	20

46 Director-related exposures

Access Bank has some exposures that are related to its Directors. The Bank however follows a strict process before granting such credits to its Directors. The requirements for creating and managing this category of risk assets include the following amongst others:

a. Complete adherence to the requirements for granting insider-related exposure as stated in the Bank's Credit Policy Guidelines, the Insider-related Policy as well as the Bank's duly approved Standard Operating Procedure for managing insider-related exposures.
b. Full compliance with the relevant CBN policies on insider-related lending.
c. All affected Directors are precluded from taking part in the approval process of credit request wherein they have interest.
d. The related Director is required to execute a document authorizing the Bank to use their accruable dividends to defray any related-obligor's delinquent exposures.
e. The Directors are required to execute documents for the transfer of their shares to the Bank's nominated broker to ensure effective control as required by the CBN policy to enhance the bank's Corporate Governance structure.
f. Section 89 of the Bank's Article of Association also reiterated that "a related Director shall vacate office or cease to be a Director, if the Director directly or indirectly enjoys a facility from the Bank that remains non-performing for a period of more than 12months."

The Bank's gross exposure to all its directors as at 31 December 2014 is N3,251,770,013. However, the relevant obligors under this category also have credit balances and deposits maintained in their bank accounts which mitigate the risks to the bank.

Below is a schedule showing the details of the Bank's director-related lending:

Analysis of loans and advances to key management personnel
In thousands of naira

S/N	Name of borrower	Relationship to reporting institution	Name of related Directors	Facility type	Outstanding Principal	Status	Nature of security
1	Combined Industrial Agro	Chairman	Mr. Gbenga Oyebode	Overdraft	140,739	Performing	Corporate Guarantee of Assets Management Group Limited.
2	Asset Management Group Limited	Chairman	Mr. Gbenga Oyebode	Term Loans	634,863	Performing	Pledged 5-storey office block property
				On-Lending Loans	351,862	Performing	
					547	Performing	
3	Timbuktu Media Limited	Chairman & Director	Timbuktu Media Limited	CBN-BOI Intervention Fund	27,315	Performing	1. Debenture on the company's assets. 2. Domiciliation of receivables of Timbuktu Media Limited.
4	Sic Property And Investment Company Ltd	Director	Mr Dere Otubu	Term Loans	1,105,000	Performing	1. Pledged properties (being constructed) at Ikoyi Lagos. 2. Lien on property under construction
5	Marina Securities Limited	Relation of Ex-Director of the Bank	Marina Securities Limited	Overdraft	756,406	Performing	Legal Mortgae and Cash Investment and Lien on Investment Portfolio
6	Paul Usoro & Company	Non-executive Director	Mr Paul Usoro	Overdraft	16,788	Performing	Cash collateral
7	C.G Biostadt Limited	Ex-Director	Dr Cosmas Maduka	Term Loan	218,250	Performing	Negative pledge and guarantee
	Balance, end of period				**3,251,770**		

47 Changes in presentation of prior year information of profit for the period and discontinued operations

For the purpose of comparability in the current year, share of profit has been reclassified to discontinued operations, as the Group disposed of its interest in the associate, Associated Discount House Limited in the current year.

	GROUP		
	Per Reported Accounts 2013 N ' 000	**Reclassification 2013 N ' 000**	**Comparative of Current year 2013 N ' 000**
Operating profit	43,530,591	-	43,530,591
Share of profit of equity accounted investee	1,465,819	(1,465,819)	-
Profit before tax	**44,996,410**	**(1,465,819)**	**43,530,591**
Loss from discontinued operations	(1,200,059)	1,465,819	265,760

Value Added Statement

In thousands of Naira

	Group December 2014	%	Group December 2013	%
Gross earnings	245,217,569		206,891,219	
Interest expense				
Foreign	(2,254,130)		(1,446,554)	
Local	(65,871,070)		(59,422,958)	
	177,092,369		146,021,707	
Net impairment (loss) on financial assets	(10,939,250)		5,012,279	
Net impairment loss on other financial assets	(713,021)		1,151,265	
Bought-in-materials and services				
Foreign	(740,707)		(697,312)	
Local	(63,456,775)		(59,075,547)	
Value added	**101,242,616**		**92,412,392**	
Distribution of Value Added				
To Employees:				
Employees costs	31,293,540	31%	31,081,954	34%
To government				
Government as taxes	8,958,810	9%	7,498,759	8%
To providers of finance				
Interest on borrowings	8,775,880	9%	8,819,542	10%
Dividend to shareholders	13,707,782	14%	19,450,480	21%
Retained in business:				
For replacement of property and equipment and intangible assets	9,238,173	9%	8,714,544	9%
Retained profit (including Statutory and regulatory risk reserves	29,268,431	29%	16,847,113	18%
	101,242,616	**100%**	**92,412,392**	**100%**

Value Added Statement

In thousands of Naira	**Bank December 2014**	%	**Bank December 2013**	%
Gross earnings	221,610,769		180,230,976	
Interest expense				
Foreign	(2,254,130)		(1,446,554)	
Local	(59,881,760)		(54,427,049)	
	159,474,879		124,357,373	
Net impairment (loss) on financial assets	(9,896,279)		6,356,951	
Net impairment loss on other financial assets	(713,021)		1,151,265	
Bought-in-materials and services				
Foreign	(740,707)		(697,312)	
Local	(59,258,585)		(60,932,613)	
Value added	**88,866,287**		**70,235,664**	
Distribution of Value Added				
To Employees:				
Employees costs	25,611,050	29%	25,937,818	37%
To government				
Government as taxes	6,201,296	7%	5,153,552	7%
To providers of finance				
Interest on borrowings	8,775,173	10%	5,152,243	7%
Dividend to shareholders	13,729,733	15%	19,450,480	28%
Retained in business:				
For replacement of property and equipment	8,337,641	9%	7,780,207	11%
Retained profit (including Statutory and regulatory risk reserves	26,211,394	29%	6,761,364	10%
	88,866,287	**100%**	**70,235,664**	**100%**

Other financial Information
Five-year Financial Summary

	IFRS				NGAAP
	December 2014	December 2013	Restated December 2012	Restated December 2011	December 2010
Group					
	12 months	12 months	12 months	12 months	12 months
In thousands of Naira	N'000	N'000	N'000	N'000	N'000
Assets					
Cash and balances with banks	405,014,793	439,459,541	405,292,241	267,917,288	123,957,778
Non pledged trading assets	28,411,644	3,877,969	27,906,803	10,812,122	30,969,755
Pledged assets	87,072,147	63,409,851	60,949,856	66,191,144	59,930,096
Derivative financial instruments	24,866,681	102,123	30,949	9,909	1,110,803
Loans and advances to banks	12,435,659	24,579,875	4,564,943	775,765	610,108
Loans and advances to customers	1,110,464,442	786,169,703	604,073,399	576,228,507	447,810,358
Trading properties	-	-	2,693,227	6,688,000	-
Investment securities	270,211,388	353,811,348	447,281,811	561,733,704	69,892,874
Insurance receivables	-	-	627,337	1,405,000	-
Other assets	56,310,620	52,019,723	67,935,352	44,475,554	20,006,440
Investment properties	-	23,974,789	14,360,567	16,097,044	12,943,078
Investments in equity accounted investee	-	3,623,326	2,774,647	2,812,805	-
Investment in subsidiary	-	-	-	-	-
Property and equipment	69,659,707	67,243,305	64,634,438	67,647,817	23,807,982
Intangible assets	5,592,991	3,659,072	3,404,945	3,277,608	2,718,899
Deferred tax assets	10,881,984	10,687,635	8,113,973	2,930,928	2,458,597
Assets classified as held for sale	23,438,484	2,847,740	30,827,257	-	-
Total assets	2,104,360,540	1,835,466,000	1,745,471,745	1,629,003,195	796,216,768
Liabilities					
Deposits from financial institutions	119,045,423	72,147,956	96,893,015	135,228,759	69,889,795
Deposits from customers	1,454,419,052	1,331,418,659	1,201,481,996	1,101,703,921	484,723,475
Derivative financial instruments	1,989,662	32,955	35,515	9,413	725,007
Claims payable	-	-	118,226	450,000	-
Current tax liabilities	8,180,969	6,899,558	8,937,964	9,747,004	3,492,485
Other liabilities	21,689,079	56,847,216	58,418,260	140,772,972	49,977,525
Deferred tax liabilities	59,038	37,861	-	-	-
Liabilities on investment contracts	-	-	65,591	61,000	-
Liabilities on insurance contracts	-	-	3,351,234	2,703,000	-
Debt securities issued	138,481,179	55,828,248	54,685,891	-	-
Interest-bearing borrowings	79,816,309	64,338,982	48,369,849	40,837,800	22,760,350
Retirement benefit obligations	3,269,100	1,933,021	2,487,589	1,876,578	-
Contingent settlement provisions	-	-	3,548,250	3,548,000	-
Liabilities classified as held for sale	-	1,499,495	25,793,512	-	-
Total liabilities	1,826,949,811	1,590,983,951	1,504,186,892	1,436,938,447	631,568,637
Equity					
Share capital and share premium	172,477,671	172,477,671	176,628,255	155,104,963	155,104,963
Retained earnings	34,139,453	22,232,374	17,856,630	(6,744,577)	(10,785,618)
Other components of equity	67,262,761	48,003,894	38,700,374	20,649,521	19,629,454
Non controlling interest	3,530,843	1,768,110	8,099,594	23,054,841	699,332
Total equity	277,410,728	244,482,049	241,284,853	192,064,748	164,648,131
Net Assets	2,104,360,539	1,835,466,000	1,745,471,745	1,629,003,195	796,216,768
Gross earnings	245,217,569	206,891,219	197,081,930	135,635,180	90,644,073
Profit before income tax	52,022,290	44,996,410	46,534,979	27,107,026	12,584,231
Profit from continuing operations	42,415,329	36,101,830	44,839,636	17,077,918	7,727,399
Discontinued operations	(87,267)	265,760	(5,511,361)	(1,699,596)	-
Profit for the year	42,328,062	36,367,590	39,328,275	15,378,322	7,727,399
Non controlling interest	964,821	195,762	(191,904)	879,093	176,442
Profit attributable to equity holders	36,101,830	36,101,830	39,520,179	14,499,229	7,903,841
Dividend paid	5,720,730	13,729,777	12,588,538	12,588,538	8,944,125
Earning or (loss) per share -Basic	189k	159k	172k	172k	169k
- Adjusted	189k	159k	172k	172k	169k
Number of ordinary shares of 50k	22,882,918,908	22,882,918,908	22,882,918,908	22,882,918,908	17,888,251,478
Number of ordinary shares after treasury shares	22,816,413,836	22,862,869,766	-	-	-

Other financial Information
Five-year Financial Summary

Bank	**IFRS**				**NGAAP**
	December 2014	**December 2013**	**Restated December 2012**	**Restated December 2011**	**December 2010**
In thousands of Naira	**12 months N'000**	**12 months N'000**	**12 months N'000**	**12 months N'000**	**12 months N'000**
Assets					
Cash and balances with banks	351,174,879	395,808,747	284,062,159	131,647,158	89,825,872
Non pledged trading assets	28,411,644	3,877,969	3,769,260	5,787,534	-
Pledged assets	85,183,353	63,347,823	60,949,856	66,191,144	-
Derivative financial instruments	24,831,145	72,675	-	-	
Loans and advances to banks	55,776,837	13,048,651	3,054,520	775,765	-
Loans and advances to customers	1,019,908,848	735,300,741	554,592,199	490,877,501	428,605,827
Trading properties	-	-	-	-	-
Investment securities	226,137,983	309,071,802	420,346,295	127,420,035	128,429,620
Insurance receivables	-	-	-	-	
Other assets	48,246,307	44,326,360	61,431,658	15,676,950	22,172,504
Investment properties	-	23,974,789	14,072,673	12,417,043	12,943,078
Investments in equity accounted investee	-	1,521,812	1,980,808	-	-
Investment in subsidiary	40,120,572	38,029,992	43,209,688	80,400,287	24,261,123
Property and equipment	64,160,327	63,203,245	58,938,450	17,042,268	20,722,556
Intangible assets	4,436,814	2,661,553	2,339,510	1,146,412	-
Deferred tax assets	10,128,537	9,847,853	7,007,387	-	-
Assets classified as held for sale	23,438,484	-	-	-	-
Total assets	1,981,955,730	1,704,094,012	1,515,754,463	949,382,097	726,960,580
Liabilities					
Deposits from banks	134,509,662	61,295,352	16,312,516	131,494,136	34,742,938
Deposits from customers	1,324,800,611	1,217,176,792	1,093,979,220	522,922,292	440,542,115
Derivative financial instruments	1,737,791	-	-	-	
Debt securities issued	73,155,391	-	-	-	-
Claims payable	-	-	-	-	
Current tax liabilities	7,113,226	6,075,590	7,686,568	2,084,899	2,959,976
Other liabilities	16,870,132	52,092,559	50,246,164	61,029,366	43,169,762
Retirement benefit obligations	3,267,364	-	2,485,093	1,149,578	-
Liabilities on investment contracts	-	-	-	-	
Liabilities on insurance contracts	-	-	-	-	
Interest-bearing borrowings	146,345,767	120,342,026	103,872,441	40,823,345	22,685,778
Contingent settlement provisions	-	1,929,695	3,548,250	-	-
Deferred tax liabilities	-	-	-	2,841,403	355,197
Liabilities classified as held for sale	-	-	-	-	-
Total liabilities	1,707,799,944	1,458,912,014	1,278,130,252	762,345,019	544,455,766
Equity					
Share capital and share premium	172,477,671	172,477,671	176,628,255	155,104,963	155,104,963
Retained earnings	36,499,779	23,095,393	18,880,711	3,376,997	6,777,393
Other components of equity	65,178,336	49,608,934	42,115,245	28,555,118	20,622,458
Total equity	274,155,786	245,181,998	237,624,211	187,037,078	182,504,814
Net Assets	1,981,955,730	1,704,094,012	1,515,754,463	949,382,097	726,960,580
Gross earnings	221,610,769	180,230,976	172,719,708	98,518,061	79,065,123
Profit before income tax	46,142,422	31,365,396	36,259,530	12,141,462	17,668,584
Profit from continuing operations	39,941,126	26,211,844	35,815,611	5,248,866	7,727,399
Profit for the year	39,941,126	26,211,844	35,815,611	5,248,866	7,727,399
Dividend paid	5,720,730	13,729,777	12,588,538	12,588,538	8,944,125
Earning or (loss) per share -Basic	174k	114k	157k	157k	102k
- Adjusted	174k	114k	157k	157k	102k
Number of ordinary shares of 50k	22,882,918,908	22,882,918,908	22,882,918,908	22,882,918,908	17,888,251,478