Charting a course for **the future**

Report and Statutory Accounts 2021

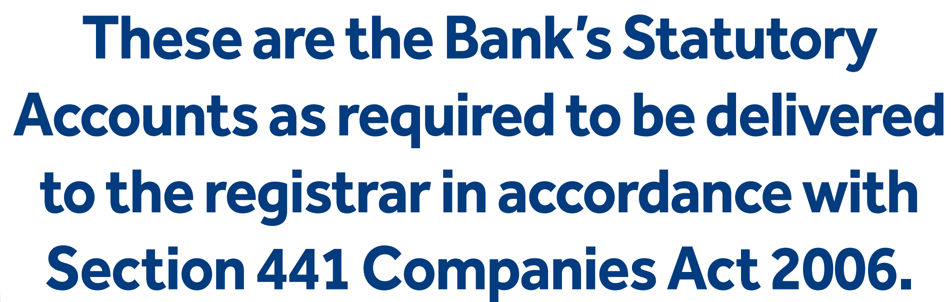
the access bank uk

navigation
/naviˈgeɪʃ(ə)n/ noun

The process or activity of accurately ascertaining one's position and planning and following a route.

Contents

Strategic Report	2
Directors' Report	7
Statement of Directors' Responsibilities	8
Independent Auditors' Report	9
Statement of Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18


These are the Bank's Statutory
Accounts as required to be delivered
to the registrar in accordance with
Section 441 Companies Act 2006.

Strategic Report

The Directors of The Access Bank UK Limited have pleasure in presenting their Strategic Report for the year ended 31 December 2021.

Business review

The Access Bank UK Limited (the "Bank") is a wholly owned subsidiary of Access Bank Plc, a bank incorporated in Nigeria ("The parent bank"). Access Bank Plc is the leading Tier One bank in Nigeria, ranking number one as at 30 September 2021 on a number of measures, including Revenues, Total Assets, Loans and Advances, and Return on Equity.

The Bank was authorised by the Financial Services Authority ("the FSA") on 12 August 2008. The Bank is currently authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA. The Bank is authorised to undertake a wide range of banking activities. The permissions granted to the Bank are set out on the FCA website at https://register.fca.org.uk

The Bank was established to provide trade finance, treasury services, correspondent banking, commercial banking, private banking, and asset management to corporate and personal customers, and seeks to differentiate itself from other banks currently operating in the UK through excellence in customer service, with a focus on establishing strong relationships with all our customers.

In December 2014, the Bank was granted permission by the PRA to offer regulated mortgages, and this activity commenced in 2015. In April 2015, the Bank was approved and authorised by the Dubai Financial Services Authority and the Dubai International Financial Centre to open an office in Dubai to facilitate trade between the United Arab Emirates and Sub-Saharan Africa, with a strong focus on Nigeria. In October 2016, the Dubai Financial Services Authority approved the upgrade of the office to Branch status.

Performance of the Bank in 2021

The financial statements for the year ended 31 December 2021 are shown on pages 14 to 52. During the year the Bank grew operating income before provision for expected credit losses by 18% from $100.8m to $119.2m, and whilst the ongoing impact of the COVID-19 pandemic continues to have an effect on recoveries from a number of the Bank's customers, the Bank saw a reduction in the impairment provision charge to the year in respect of IFRS 9 from $58.6m to $32.5m. As a result, profit before tax increased by 209% from $16.8m to $51.9m. The statement of comprehensive income is set out on page 14.

The Nigerian economy, like most nations across the world, faced turbulence in 2020 due to COVID-19, however the impact on the Nigerian GDP was less marked than on the UK and Europe. The Nigerian economy exited recession in Q4 2020 having contracted for the two previous quarters which resulted in an annual reduction in GDP of 1.9% in 2020. The long-term impact of COVID-19 on the Nigerian economy continues to unfold, however GDP grew by 3.4% in 2021, and the latest forecasts published by Fitch show GDP is forecast to grow by 3.6% in 2022, before slowing to 2.3% in 2023. The international price of oil continues to have a significant impact on the Nigerian economy, and in particular on its foreign currency reserves. The price of Brent crude oil had risen to $77.78 bbl by the end of December 2021 with the average for 2021 being $70.95 bbl having previously recorded an average of $41.96 bbl and a low point of under $20 bbl in 2020. Subsequent to year-end the price has continued to rise, and as at 15 February 2022 the price was circa $93 bbl. Following the Russian invasion of Ukraine, the oil price has risen significantly and hit a fourteen year high of $139 bbl on 7 March 2022. With respect to Bonny Light, the price rose from $51.85 bbl at the start of the year to $79.25 bbl as at 31 December 2021, and has continued to strengthen in 2022, and as at 15 February the price was circa $100 bbl. Similar to Brent crude, the price of Bonny Light has risen sharply following the Russian invasion, and on 7 March was over $130 bbl.

The Bank has continued to support its customer base during 2021, the second year of the pandemic. Net fee and commission income has remained broadly consistent with 2020 at $25.3m (2020: $25.5m). Net interest income showed an increase of 14% from $73.5m to $83.5m reflecting the increase in loans to customers during the year. A further analysis of income is included in notes 4 and 6 of the financial statements. This increase was achieved whilst still operating within the Bank's moderate risk appetite, as set by the UK Board.

In the previous year's Strategic Report, we highlighted the significant impact that the COVID-19 pandemic had had on a number of the Bank's customers, and in particular non-Sub-Saharan Africa portfolios, including the Bank's structured trade finance portfolio, which provided loans to companies in the commodities markets. We noted that the Bank had seen delay in settlement of various Bills for Collection payable across the Bank's counters, and that a number of customers had gone into liquidation or administration. This resulted in the Bank recording a significant provision in respect of the forward-looking recognition of impairment charges under IFRS 9 in relation to this portfolio, resulting in total impairment charges in 2020 of $58.6m. The majority of the underlying exposures to which these provisions related to are backed by trade credit insurance policies.

During 2021, the Bank has ceased providing new commodity related loans under this structured trade finance portfolio, and a key focus for 2021 has been to pursue recoveries in respect of the outstanding loans in this portfolio, implementing a strategy of seeking to agree repayment plans from the counterparties to the Bills for Collection, together with progressing claims in respect of the underlying insurance policies. Arrangements have been reached for extended recovery from buyers for a number of the underlying Bills for Collection, with these agreements being made with the approval of the underlying insurance company, so as to ensure that such action does not impact on the underlying insurance claim. With respect to the underlying insurance claims, the Bank has submitted claims under the majority of policies representing our material exposures, with a number at an advanced stage. Taking into account the timelines involved with both the extended agreements with some buyers, and the underlying insurance claims, and reflecting the potential of non-payment from the buyers or under the insurance policies, the Bank has booked an additional net P&L charge for expected credit losses in 2021 of $33.3m in respect of this portfolio, as detailed on page 43.

Whilst the Bank continues to keep a firm control on operating costs, the Bank saw an increase in costs during the year from $25.4m to $34.9m. During the year, the Bank has continued to invest in our employees through training, recruitment, and remuneration, with the average headcount increasing from 144 in 2020 to 150 in 2021. Additional advisory costs, predominantly associated with the structured trade

finance portfolio discussed above, was the other notable cost driver in 2021. In addition, the vast majority of the Bank's expenses are incurred in Pounds Sterling, and the Bank was impacted by the significant strengthening of Sterling during 2021. The average exchange rate for GBP:USD in 2020 was $1.284, whilst in 2021 it was $1.376.

The COVID-19 pandemic has continued to see a significant change to the way in which the Bank operates. At the outset of the pandemic in 2020 the safety and wellbeing of our colleagues was paramount and all staff in our London office transitioned to working remotely ahead of the first UK Government lockdown period, whilst our operational hub in Northwich rotated two skeleton teams who were office based, with all remaining staff working remotely. In the final quarter of 2021, the Bank re-opened its London and Northwich offices and then rotated its staff between two teams on a fortnightly basis until the offices were closed again in December 2021 in line with the latest government advisory related to the Omicron COVID-19 variant. This ongoing approach has ensured that we have been able both to ensure the safety of our staff, and to support our customers during this challenging time, with no impact on the high level of service that they are used to receiving. The CEO/MD continues to hold regular Company-wide briefings via videoconference to ensure all staff are aware of business progress and next steps during the extended time period of the pandemic.

The Bank saw an increase in total assets during 2021, with growth of 29% from $2,397.6m as at 31 December 2020 to $3,084.8m as at 31 December 2021. The Bank saw an increase in deposits from both customers and banks during the year. Deposits from banks grew from $1,150.4m as at 31 December 2020 to $1,742.2m as at 31 December 2021. Deposits from customers also increased from $876.5m as at 31 December 2020 to $935.8m over the period although we note that term deposit balances have reduced by $90m. This reduction reflects in part the Bank's Fixed Term Deposit product range where the Bank has carefully managed its balance sheet throughout the year given the significant increase in balances from other customers over this period.

Key Performance Indicators

The Bank's management monitors the business of the Bank using a range of measures, including key performance indicators, which are prepared and presented to management on a monthly basis, and which include the following:

Ratio	2021	2020
Pre-tax return on average shareholders' equity	**14.39%**	5.04%
Cost to income ratio	**29.28%**	25.16%
Loans to deposit	**71.09%**	90.49%
Non-interest income/total operating income	**24.89%**	27.10%
Liquidity Coverage Ratio	**343.85%**	346.76%
Tier 1 Capital Adequacy Ratio	**19.53%**	18.40%

Return on average shareholders' equity is calculated as the profit before tax for the year divided by the average of the opening and closing shareholders' funds for the year. The increase in the ratio is reflective of the higher impairment provisions that were reflected in the profit and loss for the year ended 31 December 2020.

The cost to income ratio is measured pre impairment. Whilst the Bank has sought to maintain a tight control of costs, it has incurred additional advisory costs associated with the recovery of exposures in the trade credit insurance portfolio and an increase in other costs. As a result, there has been an increase in the cost income ratio from 25.16% in 2020 to 29.28% in 2021.

The ratio of non-interest income to total operating income is also measured before both impairment and other operating income.

In last year's report we highlighted that in light of the COVID-19 pandemic, the Bank had provided additional support to customers impacted, and that as a result during 2020 the ratio of loans to deposits had increased to 90.49% from 72.40%. During 2021, the Bank has grown its level of deposits, enabling the Bank to move this ratio back towards the long-term trend, and as a result the ratio of loans to deposits decreased to 71.09%, from 90.49% in 2020.

The Liquidity Coverage Ratio (LCR) is a core regulatory ratio, which requires a bank to maintain a level of unencumbered high-quality liquid assets that can meet its liquidity needs for a period of thirty days under a severe stress. The regulatory limit throughout 2021 was 100%, and the Bank maintained its ratio above this limit throughout the year. As at 31 December 2021, the Bank's LCR was 343.85%, well above the regulatory limit.

The Tier 1 Capital Adequacy Ratio is calculated by dividing the Bank's shareholders' funds by its Risk Weighted Assets. The Ratio as at 31 December 2021 increased to 19.53% from 18.40% in 2020.

Regulatory Capital

The Bank manages its capital to ensure that it fully meets its regulatory capital requirements, and that it will be able to continue as a going concern. The Bank complied with its regulatory capital requirements throughout the year and as at 31 December 2021 the Bank's equity shareholders' funds stood at $380.8m (2020: $340.2m).

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

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

These risks are continually assessed in line with the Bank's business, and include credit risk, market risk, and liquidity risk (further discussed in note 24).

The Bank publishes its set of disclosures in accordance with Pillar 3 of the Basel III capital measurement requirements on its website: www.theaccessbankukltd.co.uk/about-us/financial-reports.

Liquidity

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

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

Strategic Report *continued*

An analysis of the liquidity risks faced by the Bank and the liquidity position as at 31 December 2021 is set out in note 24 of the financial statements. The Bank undertakes daily liquidity monitoring to ensure that funds are properly managed and PRA liquidity limits (including Liquidity Coverage Ratio and Net Stable Funding Ratio) are fully met at all times.

Note 24 of the financial statements shows the liquidity maturity profile of the Bank, with a strong short- and medium-term net liquidity position, once the liquidity buffer assets held by the Bank are taken into account. Of the Bank's total assets of $3,085m, only $322m (10%) had a contractual maturity date of more than one year. This latter figure includes $219m of loans that were either secured on investment properties in the United Kingdom, or portfolios held by the Asset Management Strategic Business Unit.

Included in the total of investment securities were exposures to US Government securities totalling $608m, held indirectly through investment in the BlackRock US Treasury Fund, that constituted eligible liquidity buffer securities. Included in cash at bank were reserves account deposits with the Bank of England of $477m, which also constituted eligible buffer securities. Both the US Securities and the Bank of England reserves account deposits were available to be realised on demand.

Principal Risks and Uncertainties

The management of the business and the execution of the Bank's strategy are subject to a number of risks, notwithstanding the improvement in the situation in Nigeria noted above. The principal risks that the Bank faces vary across the different businesses and include principally credit risk, documentary risk, AML/KYC risk and liquidity risk. All risks are formally reviewed by the Board Risk and Audit Committee, together with the Board Credit Committee, with appropriate processes put in place to manage and mitigate these risks. The Bank has adopted the Three Lines of Defence Risk Management Framework which is familiar in the UK financial services environment.

The Bank's management and governance arrangements are designed to ensure that the Bank complies with the relevant legislation and regulation within the UK.

Further details of the risks faced by the Bank and the Three Lines of Defence Risk Management framework are set out in note 24 of the financial statements.

LIBOR transition

The Bank is mindful of the need to transition away from a reliance on LIBOR, with many of the rates ceasing to be published from the end of 2021 (a number of the USD LIBOR settings will continue to be published until 30 June 2023), and the Bank's plan in this respect is being supervised by the Bank's Asset and Liability Committee and reviewed by the Board through the report of the Finance Director. Given the short-term nature of the Bank's balance sheet, the Bank does not have a significant exposure to LIBOR, with most transactions that are undertaken being at fixed interest rates. As set out in note 24 (e), the Bank's two significant currencies for its assets and liabilities are GBP Sterling and US Dollar.

With respect to the GBP LIBOR, the Bank's lending in Sterling is predominately related to its property related lending, and this book uses Bank of England Bank Rate as its benchmark rate.

With respect to the USD LIBOR, as at 31 December 2021 the Bank total exposures denominated in US Dollar that had a maturity date past 30 June 2023, and which were currently being repriced on LIBOR, totalled $58m, out of total assets of $3,084.8m. In addition, the Bank has a number of secured loans that are based on USD LIBOR but subject to a floor, and therefore are not currently repriced on LIBOR. These total $59m, and the Bank is engaging with these customers to agree an addendum to amend the pricing mechanism to be based off SOFR. Therefore, the Bank does not consider that it has a material risk from the transition from LIBOR.

Financial Risk of Climate Change

The lending activity of the Bank is focused on three key areas. Firstly, the Bank undertakes short-term trade-finance related activities including post-negotiation lending in respect of Letters of Credit, and the provision of working capital facilities to finance trade. As at 31 December 2021 the total of these short-term trade related loans was $1,665m. Secondly, the Bank has asset management loans supported by client securities investment portfolios which are monitored with strict call and close limits aligned to underlying investment portfolio value. As at 31 December 2021 these loans totalled $120m. Finally, the bank has a portfolio of property related mortgage loans which are longer-term in nature, and as at 31 December 2021 these totalled $118m.

As noted above the Bank's lending is dominated by short-term lending exposures which support the importation of international trade cargoes into Nigeria and sub-Saharan Africa. The Bank has considered the financial risks of climate change in its preparation of the financial statements and as can be seen in note 24(f) to the financial statements, 90% of the Bank's total assets have a tenor of less than one year. The Bank expects longer-term changes in the profile and mix of these cargoes as a result of climate change but still foresees significant levels of importation activity that require financing in the mid to long term.

Governance

The Board is responsible for overseeing the Bank's response to the financial risks from climate change as outlined in Supervisory Statement 3/19 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change' which was published by the PRA in 2019. This paper established the PRA's definitions of physical, transition and liability risks associated with climate change.

The Terms of Reference for the Board, and its sub-committees contain requirements in respect of governance responsibilities for strategic decision making in respect of the Bank's response to financial risks from climate change.

The Finance Director is the designated Senior Management Function holder (SMF) responsible for ensuring that there is a plan in place to address and implement the PRA's expectations regarding the management of the financial risks from climate change, with regulatory requirements from climate change being overseen by the Bank's Executive Committee.

Strategy

The Board has set its risk appetite for climate change as moderate in line with its internal risk appetite policy. The Bank has no appetite to develop its business strategy in a way that would increase the exposure to climate change risk. In line with its current five-year plan the Bank has no intention to actively pursue business opportunities that arise

from climate change. The Board will reflect this approach as it moves into the preparation of the next iteration of its five-year strategic plan and priorities.

Risk Management

During the year, the Bank continued its work on embedding the ongoing identification, assessment and monitoring of the financial risks from climate change into the Bank's risk management framework. An initial assessment has been made of the physical, transition and liability risks arising from climate change. This assessment looked at the Bank's business activities and assessed the likelihood and impact of the key financial risks (physical, transition and liability) from climate change as defined by the PRA. The assessment utilised the Bank's established risk assessment scoring methodology measuring the impact and likelihood of the risks occurring including the assessment of velocity which evaluated the potential rate of change.

In addition to the granular assessment across the five strategic business units, a review of the Bank's key exposures in respect of sector, region and counterparty has been completed to identify any concentrations which when compared against international ESG ratings, could highlight any vulnerabilities or concentration risk.

The outcome of these qualitative risk assessments and concentration reviews has confirmed that the Bank currently does not have a material risk exposure from the physical, transition and liability risks of climate change and the risk is within the Bank's moderate risk appetite for climate change. The learnings and outcomes from this identification and assessment exercise have been mapped across to the Bank's Risk Register and in light of the low materiality assessment, the Bank has elected to manage them on a cross-cutting basis than as stand-alone risks. This enables the risks to be captured within the Bank's embedded risk management framework which will be monitored on a regular basis through its ongoing programme of risk and control assessments.

The Bank has incorporated a detailed review of climate-related risk factors into its due diligence process for property mortgage lending, with this being the portfolio most susceptible to climate change. The Bank's surveyors are required to provide it with information on the relevant property's flood risk for consideration as part of the lending approval process.

Metrics

The Bank has published its emissions data within the Directors' Report which follows the Strategic Report.

Strategy and Future Developments

In its first five years of operations from 2008, the Bank achieved its initial objective of providing a credible and sustainable OECD hub to grow the international business of Access Bank Plc. Under the Bank's second strategic plan, the Bank built on this platform and achieved the goal of creating the most profitable Nigerian bank in the UK and increasing the UK contribution to Group performance.

Having met the key targets set out in this plan, with the Bank outperforming the projections for 2017 included in the plan, during the second half of 2017 the Bank developed a new five-year plan which embodied the same principles that have guided the Bank's development to date. This five-year plan reflects and is in line with Access Bank Plc's five-year plan which embodies the vision of becoming 'The world's most respected African bank'. The Board will shortly commence work on the next five-year plan in 2022.

The Bank will continue to follow a relationship-based banking model, growing its business through the depth and quality of customer relationships, whilst maintaining a moderate appetite for risk. The success of this strategy was reflected in the Bank being named as the winner of the Capital Finance International Award 2021 for Best Africa Trade Finance Bank for the sixth consecutive time together with the International Finance Award for Best African Trade Finance Bank for the fourth successive year.

The current five-year plan is also predicated on the basis that the Bank will continue to work closely with fellow Access Bank Group companies in a number of key areas: to access the growing opportunities centred on Nigeria; to develop a broader representation in sub-Saharan Africa in part reflecting the growth of the parent bank across the continent; to develop the private bank and investment products into an increased share of the high net worth market in these countries; and to continue to diversify income streams by leveraging the profile and credibility established for the Bank.

With regard to the Bank's core trade finance markets in Africa, Nigeria remains the main market. Nigeria went into recession briefly in 2020 as a result of COVID-19, which led to a significant decline in oil prices. As already noted, Nigeria moved out of recession in Q4 of 2020, and with oil prices continuing to strengthen, Nigerian GDP grew by 3.4% in 2021. The Bank will therefore continue to have a key role to play in facilitating the flow of trade to and from Nigeria. As noted above we have seen further significant rises in the oil price following the invasion of Ukraine. With respect to the structured trade finance portfolio, as noted above the Bank is not entering into new transactions for this portfolio, and a key focus of 2022 will be to maintain payments under repayment plans, where these have been agreed with buyers, and pursuing the trade credit insurance policies that back these exposures.

The Bank will also continue to leverage the brand recognition that it enjoys in its chosen markets to broaden its base of trade finance, commercial banking and private bank customers.

Given the continued signs of improvement in the situation in Nigeria, the Directors are confident that the outlook for the Bank is a positive one.

Post-year-end, Russia's invasion of Ukraine has had a significant impact on world markets, with sanctions being implemented by many countries who oppose the invasion and Russia. Whilst the Bank has no exposure to Russia, the potential impact of the conflict and sanctions regime on European and global markets and institutions remains uncertain, and as a result, the Bank's business and financial position could be adversely affected.

Strategic Report *continued*

Directors Section 172 Statement
The Directors of the Bank, as those of all UK companies, are required to act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006, under which a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in so doing have regard (amongst other matters) to:
- the likely consequence of any decisions in the long term;
- the interest of the company's employees;
- the need to foster the Bank's business relationships with suppliers, customers and others;
- the impact of the Bank's operations on the community and environment;
- the desirability of the Bank maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between shareholders of the Bank.

As part of their induction, the Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important to recognise that in an organisation such as ours, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Bank.

The Directors are mindful of the requirements of S172 when performing their duties. The following paragraphs demonstrate how the Directors fulfil their duties:

Employees:
Our relationship-based approach to banking rests upon the skills of our employees in identifying and responding to the needs of our customers. The Bank is therefore committed to investing significantly in the skills of the people that we employ through training and employee development. This investment was recognised in 2020 when the Bank was awarded Platinum status by Investors in People.

The Bank systematically provides employees with information on matters of concern to them, consulting with them regularly so that their views may be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Bank is encouraged as a common awareness amongst all employees of the financial and economic factors affecting the Bank plays a major role in maintaining its competitive position. The Bank encourages the involvement of employees by means of regular staff briefings, and staff surveys and encourages their input and innovation with a reward scheme for Great Ideas/Innovation.

The Bank is an equal opportunities employer, and is committed to equality and diversity.

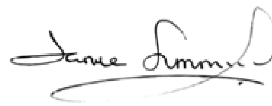
Our customers:
As set out in the Strategic Report, the Bank follows a relationship-based banking model. Our team of experienced relationship managers interact with our customers regularly, to ensure that the requirements of our customers are considered in everything we do. The Bank fully complies with the FCA's requirements regarding "Treating Customers Fairly".

Maintaining a reputation for high standards of business conduct:
The Board ensures that the Bank fully complies with the Senior Manager Regime set by the PRA, which sets out high standards and accountability for personal and business conduct and receives regular reports from the Risk and Compliance Director in this respect. The Compliance Department as the second line of defence, conducts an annual exercise of reviewing that all senior managers and certified staff are fit and proper. Internal Audit, as the third line of defence, conducts a risk-based review of compliance with the senior managers' regime.

Long-Term Planning:
As noted in the Strategic Report, the Bank produces a five-year plan, and updates this with rolling three-year forecasts to monitor the impacts of its decisions in the medium to long term. The Board receives regular updates from management on progress, and reviews and approves the Bank's strategy at the Annual Board Retreat.

Engaging with our shareholder:
The Bank has one shareholder, being Access Bank Plc, with which we maintain a continuous and close relationship, through regular dialogue. In addition, the Chairman and the Non-Executive Director are also members of the Board of Access Bank Plc.

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



J. Simmonds
Managing Director/ Chief Executive Officer
21 March 2022

Directors' Report

The Directors of The Access Bank UK Limited have pleasure in presenting their Directors' Report and audited financial statements for the year ended 31 December 2021.

Principal activities, results and future developments

Details of the Bank's principal activities, results and future developments, including details of branches outside the UK, are detailed in the Bank's Strategic Report.

Dividend

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

Political contributions and charitable donations

During the year, the Bank made charitable donations of $271 (2020 - $315).

No political donations were made during the year (2020 - nil).

Directors

The Directors, who served during the year and up to the date of the signing of the financial statements, were as follows:

H Wigwe	(Chairman)
R Ogbonna	(Non-Executive Director)
S Clark	(Independent Non-Executive Director)
D Charters	(Independent Non-Executive Director)
J Simmonds	(Chief Executive Officer/Managing Director)
S McLaughlin	(Finance Director)

Directors' indemnities

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

Future prospects and going concern

The Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The Directors have undertaken a detailed review of the Bank's business model and profitability, taking into account the Bank's current and projected performance, including consideration of projections incorporating the impact of the COVID-19 pandemic, and the Bank's capital and liquidity position. The Bank's financial forecasts encompass capital and liquidity projections under a range of severe but plausible stressed scenarios, including consideration of the impact of further impairment provisions, should they be required, for exposures in the trade credit insurance book. In considering these forecasts, the Board has also considered the impact of potential management actions, on the Bank's profitability and capital ratios.

As at 31 December 2021, the Bank had a capital adequacy ratio that was in excess of the minimum regulatory capital requirements, and it is the intention of the Directors that this will be maintained at satisfactory levels in the future. In addition, as at 31 December 2021 the Bank maintained liquidity buffer assets significantly in excess of the minimum regulatory requirements, and the Directors intend to ensure that the Bank maintains a strong liquidity position to enable it to meet its obligations as they fall due.

The Directors believe that the Bank is well placed to continue to manage its business risks successfully and to trade profitably, and they are satisfied that the business model is robust and sustainable in the current environment. In the Strategic Report the Directors have reviewed the impact on the Bank of the current economic environment in Nigeria. Having undertaken this review, the Directors are satisfied that there is no evidence to believe that a material uncertainty exists which might cause significant doubt as to the Bank's ability to continue as a going concern. The Directors confirm that there are currently no plans to terminate or significantly curtail the Bank's activities. The Directors are satisfied therefore that it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Bank.

Financial Risk management and future developments are disclosed in the Strategic Report.

Energy Usage

The Bank presents below its analysis of greenhouse emissions (GHG) and energy usage as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. GHG emissions are split into three categories based on the source of the emission:

- Scope 1 (Direct): emissions from sources that the company owns and controls (i.e. generation of electricity, heat or steam from combustion of fuels);
- Scope 2 (Energy Indirect): indirect emissions from the consumption of purchased energy (electricity, heat, steal and cooling) consumed in the Bank's operations;
- Scope 3 (Other Indirect): Other emissions that are the consequence of the Bank's actions, which occur at sources which are not owned or controlled and which are not classed as Scope 2 emissions.

In accordance with the Regulations, the Bank is required to disclose its Scope 1 and 2 emissions.

GHG emissions and energy usage data

	2021	2020
Energy consumption used to calculate emissions (kWh)		
Gas	81,961	75,351
Electricity	126,608	105,663
Total Energy consumption	**208,569**	**181,014**
Scope 1		
Emissions from combustion of gas tCO_2e	15.01	13.85
Scope 2		
Emissions from purchased electricity tCO_2e	26.88	24.63
Total gross tCO_2e based on the above	**41.89**	**38.48**
Normalised – tCO_2e per £m of income	**0.51**	**0.53**

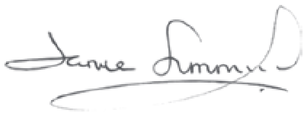
Directors' Report *continued*

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

Independent Auditors
The auditors, PricewaterhouseCoopers LLP, will continue to hold office in accordance with section 487 of the Companies Act 2006.

Internal Audit
The Bank has engaged Grant Thornton to perform internal audit services for the Bank. The Bank's Risk and Audit Committee is responsible for approving the annual budget for Internal Audit and it has confirmed that it is satisfied that Internal Audit has the appropriate resources to undertake its role effectively.

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



J. Simmonds
Managing Director/ Chief Executive Officer
21 March 2022

Company Registration No. 06365062

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations
In the case of each director in office at the date the Directors' report is approved:
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors' Report

to the members of The Access Bank UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, The Access Bank UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income, the statement of cash flows, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Board Risk and Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 11, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment and other qualitative factors.

Key audit matters

- Determination of allowance for expected credit losses on loans in the trade credit insurance portfolio (Stage 3)

Materiality

- Overall materiality: US$3,080,000 (2020: US$2,864,000) based on approximately 6% of profit before tax.
- Performance materiality: US$2,310,000 (2020: US$2,164,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The effect of COVID-19 on the audit and the financial statements, which was a key audit matter last year, is no longer included because our consideration of the pandemic in the current year is adequately captured by other key audit matters and it does not represent an area of increased audit focus in its own right. Otherwise, the key audit matters below are consistent with last year.

Independent Auditors' Report *continued*

to the members of The Access Bank UK Limited

Key audit matter	**How our audit addressed the key audit matter**
Determination of allowance for expected credit losses on loans in the trade credit insurance portfolio (Stage 3) The company has two portfolios of exposures subject to credit risk for which it records an allowance for Expected Credit Losses ('ECL'). These include: • loans and advances to banks totalling $849.5m (2020: $944.6m) for which there is an allowance for ECL of $0.1m (2020:$0.9m); and • loans and advances to customers totalling $1,129.2m (2020: $948.9m) for which there is an allowance for ECL of $74.8m (2020: $58.4m). The determination of ECL's is judgemental and involves determining assumptions using forward-looking information which reflects the company's view of future events. This increases the level of estimation uncertainty. Loans and advances to customers includes a portfolio of trade credit insured receivables totalling $180.4m with an allowance for ECL of $74.3m. The exposures relate to the trading of physical commodities throughout the Middle East and Far East. As a condition of the facility letter with the customer, the customer must obtain Credit Insurance from an approved insurance provider covering default of the buyers. This portfolio of receivables is in default and the company is pursuing recovery by seeking to agree repayment plans from counterparties together with progressing claims in respect of the underlying insurance policies. Some of these insurance claims are in dispute by the insurers and the specific facts of each case determine the likelihood of recovery for the company. There is significant judgement applied by management in determining the allowance for ECL for this portfolio. Furthermore, judgement is applied in determining the timing and amount of cash flows from the insurers, the buyers under the contracts or the company's customers. There is a range of potential outcomes for the cash recoveries and therefore a significant degree of estimation uncertainty. As such this was an area of focus for our audit. The Directors' accounting policies are disclosed in note 2.4 to the financial statements. The Directors' disclosures relating to the portfolio are given in note 24.	We understood and critically assessed the methodology applied in the impairment model, using commercial insurance experts in the assessment of the likelihood of insurance recovery. We discussed our qualitative views on the level of provisions recorded and the Directors' methodologies with the Board Risk and Audit Committee. We understood and evaluated the design and implementation of controls relating to the determination of the allowance for ECL for the trade credit insured receivables. The specific work we performed over the allowance for ECL was as follows: • we inspected all up to date correspondence between the company, its legal counsel and the insurers and their legal counsel relating to the status of each underlying insurance claim; • we engaged an auditor's expert from PwC that has expertise in commercial insurance claims to develop an independent range for the prospects of recovery for each claim and the likely timing of recovery. The experts reviewed the correspondence between management's counsel, the company, the insurers and their counsel as well as revisiting the facts relating to the insurance policies and correspondence obtained in the previous year. They also assessed the view provided by management's experts regarding the likelihood and timing of recovery from insurers in respect of each case; • we obtained evidence of the cash receipts on the loans in the year where the company's end buyers made repayments under the contracts. Some of the repayments are formalised in compromise agreements and we obtained and inspected these. Where there have been delays in the settlement of cash flows under the compromise agreements or there were no compromise agreements in place, we challenged management on the timing and likelihood of customer and buyer recovery; • we audited the underlying model prepared by management and obtained evidence over its mathematical accuracy and the consistency of the assumptions with the evidence obtained; and • we also assessed the disclosures in note 3 and note 24 regarding the critical estimates and judgements in determining the ECL pertaining to the portfolio and found them to be appropriate. We concluded that the reported allowance for ECL on the loans in the trade credit insurance portfolio is reasonable based on the evidence obtained.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company provides personal, private and corporate Banking services. The company operates one branch and has three subsidiaries, none of which are material and all are excluded from our audit scope. We consider that the company is a single audit component.

Our overall approach to setting our audit scope was to focus our audit in areas where we identified a higher risk of material misstatement to the financial statements, including areas where the Directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. To conduct this risk assessment, we considered the inherent risks facing the company, including those arising from its respective business operations, and how the company manages these risks. We also considered our knowledge and experience obtained in prior year audits and a number of other factors including the design and implementation of the company's control environment relevant to the audit, the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements and the risk of management override of controls.

We performed audit work for all financial statement line items with balances above our performance materiality of $2,310,000.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	US$3,080,000 (2020: US$2,864,000).
How we determined it	Approximately 6% of profit before tax.
Rationale for benchmark applied	Profit before tax is the primary measure of performance used by the shareholders in assessing the performance of the company and so is considered to be the most appropriate basis for setting overall materiality. Overall materiality amounts to approximately 6% of profit before tax.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US$2,310,000 (2020: US$2,164,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Board Risk and Audit Committee that we would report to them misstatements identified during our audit above $154,000 (2020: $143,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- a detailed risk assessment to identify factors that could impact the going concern basis of accounting;
- evaluating management's going concern assessment including the company's capital and liquidity position;
- understanding and evaluating the company's current and forecast performance and reviewing key assumptions used in forecasting future performance by considering management's ability to accurately forecast future financial performance;
- substantiation of financial resources available to the company;
- a number of other audit procedures were also performed to evaluate management's assessment, such as management enquiries, review of the most recent ICAAP and ILAAP submitted to the PRA and a review of regulatory correspondence; and
- reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report *continued*

to the members of The Access Bank UK Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the relevant rules of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- reviewing key correspondence with the regulators and evaluating the implications on the audit;
- reading minutes of the Board and the Board Risk and Audit Committee to identify any matters of relevance;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the allowance for expected credit losses on loans in the trade credit insurance portfolio (see related key audit matter);
- reviewing customer complaints for any indication that there has been a breach of relevant laws and regulations or instances of fraud; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditors responsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Board Risk and Audit Committee, we were appointed by the members on 4 March 2013 to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 31 December 2013 to 31 December 2021.

Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 March 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	**Year ended 31 December 2021 $**	Year ended 31 December 2020 $
Operating income			
Interest income on assets at amortised cost/FVOCI	4	101,048,656	96,758,895
Interest income on assets at FVPL		43,334	1,316,899
Interest expense	5	(17,585,729)	(24,571,141)
Net interest income		83,506,261	73,504,653
Fee and commission income	6	27,143,190	26,743,396
Fee and commission expense	6	(1,850,925)	(1,221,054)
Net fee and commission income		25,292,265	25,522,342
Provision for expected credit losses	8	(32,468,250)	(58,636,697)
Other income		2,373,856	1,805,722
Other operating income	8	8,072,122	–
Total operating income		**86,776,254**	**42,196,020**
Operating expenses			
Personnel expenses	9	(22,375,495)	(17,055,499)
Depreciation and amortisation	10	(1,907,756)	(2,308,932)
Other expenses		(10,633,162)	(6,002,946)
Total operating expenses		**(34,916,413)**	**(25,367,377)**
Profit before tax		51,859,841	16,828,643
Taxation	12	(11,364,314)	(3,323,610)
Profit for the year		**40,495,527**	**13,505,033**
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss			
Net profit/(loss) on investment securities measured at FVOCI		85,735	(241,960)
Total comprehensive income for the year		**40,581,262**	**13,263,073**

The notes on pages 18 to 52 form an integral part of these financial statements.

Statement of Financial Position

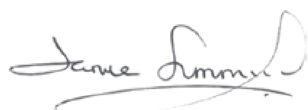
As at 31 December 2021

	Note	**31 December 2021 $**	31 December 2020 $
Assets			
Cash at bank		531,094,912	160,274,778
Money market placements		3,928,474	6,510,993
Investment securities	13	610,046,734	356,657,172
Loans and advances to banks	14	849,457,860	943,688,846
Loans and advances to customers	15	1,054,399,028	890,496,159
Property, plant and equipment	16	944,155	1,234,891
Right-of-use assets	16	5,191,262	4,851,412
Intangible assets	17	2,677,923	2,376,663
Other assets	18	27,013,191	31,461,526
Total assets		**3,084,753,539**	**2,397,552,440**
Liabilities			
Deposits from banks	19	1,742,158,743	1,150,355,865
Deposits from customers	20	935,798,374	876,497,010
Other liabilities	21	25,483,781	30,083,087
Deferred tax liability	12	509,917	395,016
Total liabilities		**2,703,950,815**	**2,057,330,978**
Equity			
Share capital	25	207,380,250	207,380,250
Retained earnings		178,591,301	138,095,774
Currency translation reserve		(5,013,563)	(5,013,563)
Other reserves		(155,264)	(240,999)
Total equity		380,802,724	340,221,462
Total liabilities and equity		**3,084,753,539**	**2,397,552,440**

The notes on pages 18 to 52 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 March 2022.

They were signed on its behalf by:



J. Simmonds
Managing Director/Chief Executive Officer
21 March 2022

S. McLaughlin
Finance Director

Company Registration No. 06365062

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital $	Retained earnings $	Other reserves $	Currency translation reserve $	Total equity $
Balance as at 1 January 2021	**207,380,250**	**138,095,774**	**(240,999)**	**(5,013,563)**	**340,221,462**
Profit after tax for the year	–	40,495,527	–	–	40,495,527
Other comprehensive expense for the year	–	–	85,735	–	85,735
Total comprehensive income for the year	–	40,495,527	85,735	–	40,581,262
Balance at 31 December 2021	**207,380,250**	**178,591,301**	**(155,264)**	**(5,013,563)**	**380,802,724**

	Share capital $	Retained earnings $	Other reserves $	Currency translation reserve $	Total equity $
Balance at 1 January 2020	**207,380,250**	**124,590,741**	**961**	**(5,013,563)**	**326,958,389**
Profit after tax for the year	–	13,505,033	–	–	13,505,033
Other comprehensive expense for the year	–	–	(241,960)	–	(241,960)
Total comprehensive income for the year	–	13,505,033	(241,960)	–	13,263,073
Balance at 31 December 2020	**207,380,250**	**138,095,774**	**(240,999)**	**(5,013,563)**	**340,221,462**

The notes on pages 18 to 52 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2021

	Note	**Year ended 31 December 2021 $**	Year ended 31 December 2020 $
Cash flows from operating activities			
Profit before tax		**51,859,841**	**16,828,643**
Adjustments for:			
Depreciation	16	1,478,136	1,742,769
Amortisation	17	429,620	566,163
Interest expense on Lease		100,251	–
Impairment charge on financial assets		32,468,250	58,636,697
Operating cash flows before movements in working capital		**86,336,098**	**77,774,272**
Changes in money market placements		2,582,519	16,731,994
Changes in loans and advances to banks and customers		(102,082,702)	(344,428,871)
Changes in other assets		5,945,581	(12,184,644)
Changes in deposits from banks		591,802,878	(207,254,914)
Changes in deposits from customers		59,301,364	95,537,237
Changes in other liabilities		(3,512,265)	(297,793)
		640,373,473	**(374,122,719)**
Taxation paid		(13,689,454)	(21,162,550)
Net cash inflows/(outflows) from operating activities		**626,684,019**	**(395,285,269)**
Cash flows from investing activities			
Net purchase of investment securities		(253,303,827)	60,223,424
Purchase of property, plant and equipment		(145,204)	(743,680)
Purchase of intangible assets		(740,453)	(373,996)
Net cash (outflows)/inflows from investing activities		**(254,189,484)**	**59,105,748**
Cash flows from financing activities			
Lease payments		(1,156,685)	(1,331,105)
Net cash inflows from financing activities		**(1,156,685)**	**(1,331,105)**
Net increase/(decrease) in cash and cash equivalents		**371,337,850**	**(337,510,626)**
Cash and cash equivalents at the beginning of the year		160,274,778	497,558,784
Currency translation impact		(517,716)	226,620
Cash and cash equivalents at the end of the year		**531,094,912**	**160,274,778**

The notes on pages 18 to 52 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2021

1. General information

The Access Bank UK Limited (the Bank) is a company incorporated in the United Kingdom under the Companies Act 2006. It is a private company limited by shares. The address of the registered office is 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire, CW9 7UT. The immediate and ultimate parent undertaking is Access Bank Plc, a bank incorporated in Nigeria. The Bank provides trade finance, treasury services, correspondent banking, commercial banking, private banking, and asset management services to corporate and retail customers.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

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

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK and interpretations issued by the IFRS Interpretations Committee (IFRIC) and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost accounting convention as modified by the revaluation of financial assets at fair value through other comprehensive income (FVOCI) and financial instruments at fair value through profit or loss (FVPL). The financial statements incorporate the results of the Bank's Dubai branch. Whilst the Bank has three subsidiaries as detailed in note 28, these have not traded in 2021 and the Bank has taken advantage of the exemption in the Companies Act sections 405(2) from producing consolidated financial statement on the grounds that the inclusion of the subsidiaries is not material for the purpose of giving a true and fair view.

2.2 Going concern

The Bank's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 6. Note 24 to the financial statements includes the Bank's financial risk management objectives, details of its financial instruments, and its exposures to credit, market and liquidity risk.

The financial statements have been prepared on a going concern basis. The Board has considered the appropriateness of the going concern basis of preparation of the financial statements, taking into account the Bank's current and projected performance. As noted in the Directors' Report, the Bank's forecasts encompass capital and liquidity projections under a range of severe but plausible stresses scenarios. In considering these forecasts, the Board has also considered the impact of potential management actions on the Bank's profitability and capital ratios.

The Bank has considerable financial resources. As a consequence, the Directors believe that the Bank is well placed to manage its business risks successfully, and therefore the Directors have a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future, accordingly, we have adopted the going concern basis in preparing the financial statements.

2.3 Changes in accounting policies

Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

In August 2020, the IASB made amendments to IFRS 9 – Financial Instruments, IAS 39 – Financial Instruments: Recognition and Measurement, IFRS 7 – Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts and IFRS 16 – Leases to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide reliefs for:

- when changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- the hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Note 24 on page 47 provides further information concerning the Phase 2 disclosures for the Bank.

Future accounting developments

The following standards were not effective for annual reporting periods ending on 31 December 2021 and the Bank has not applied them retrospectively:

- IFRS 17 Insurance Contracts.
- Reference to the Conceptual Framework – Amendments to IFRS 3.
- Onerous contracts – cost of fulfilling a contract – Amendments of IAS 37.
- Annual improvements to IFRS standards 2018 – 2020.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

2.4 Significant accounting policies

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual terms of an instrument.

At the initial recognition, the Bank measures a financial asset or financial liability at its fair value inclusive of transaction costs that are incremental and directly attributable to the acquisition or issue of the financial assets or liabilities such as fees and commissions. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after the initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less the principal repayments including the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, discounts and fees that are integral to the effective interest rate such as originated fees.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

i. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
ii. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined on an individual basis. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised on settlement.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the discounted value of the modified cash flows using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for financial assets that have subsequently become credit-impaired (or Stage 3) for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Classification and subsequent measurement of financial assets

In accordance with IFRS 9, the Bank classifies its financial assets in the following measurement categories:

- Amortised cost.
- Fair value through profit or loss (FVPL).
- Fair value through other comprehensive income (FVOCI).

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definitions of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classifications and subsequent measurement of debt instruments depend on the Bank's business model for managing the asset; and the cash flow characteristics of the assets.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Interest income from these financial assets is included in 'interest income' using the effective interest rate method.
- Fair value through other comprehensive income: financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payment of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss and recognised in 'net interest income'. Interest income from these financial instruments is included in 'interest income' using the effective interest rate method.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through the statement of comprehensive income and is not part of a hedging relationship is recognised in the statement of comprehensive income in the period in which it arises. Interest income from these financial assets is included in 'interest income on assets at FVPL'.

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending agreement, the related financial asset is classified and measured at fair value through profit or loss.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

2. Basis of preparation and significant accounting policies continued

2.4 Significant accounting policies continued

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns; when this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value, dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the statement of comprehensive income.

Impairment

The Bank assesses on a forward-looking basis the expect credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and at FVOCI, and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Modification of loans

The Bank may renegotiate or modify the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank considers the new terms of the modification.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset.

The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in the statement of comprehensive income.

Classification and subsequent measurement of financial liabilities

- In both the current and prior period, financial liabilities are classified and subsequently measured at amortised cost, except for:
- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income.
- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Bank recognises any expense incurred on the financial liability.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- the amount of the loss allowance; and
- the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

Collateral and other credit enhancements

The Bank holds collateral, or other credit enhancements, against certain loans and advances to banks and customers in the form of cash margins, pledges/liens over deposits, mortgages, interests over property, credit insurance, other registered securities over assets and guarantees.

The Bank accepts guarantees mainly from well reputed local or international banks, financial institutions, and well established local or multinational organisations. Estimates of fair value are based on the value of collateral assessed at the time of borrowing which are updated during annual reviews.

The Bank may hold collateral against loans and advances and other exposures to banks in the form of pledges/liens over deposits and other registered securities and guarantees.

It is the Bank's policy to ensure that loans are extended to customers within their capability to service interest and repay principal instead of

relying excessively on collateral. Accordingly, depending on customers' credit worthiness and the type of product, facilities may be unsecured.

Foreign currency translation

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

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

Presentation of financial statements

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

Revenue recognition

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

Fee and commission income

The Bank earns fee income from services it provides to its customers, which are recognised, both over time and at a point in time. Fee income is accounted for as follows:

i. If the income is earned on the execution of a significant act, it is recognised as revenue when the significant act has been completed (for example, fees arising on negotiating a transaction for a third party, such as the arrangement for the acquisition of securities);
ii. If the income is earned as services are provided, it is recognised as revenue as the services are provided (for example, documentary credit confirmation fees, custody and banking service fees); and
iii. If the income is an integral part of the effective interest rate of a financial instrument, it is recognised as an adjustment to the effective interest rate (for example, loan origination fees) and recorded over the period for which the service is provided.

Cash and cash equivalents

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

Derivative financial instruments

The Bank may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and foreign currency options. Further details of derivative financial instruments are disclosed in note 22 to the financial statements.

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

Valuation of financial instruments

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

Level 1: Valuation derived from unadjusted quoted market prices in an active market for an identical instrument.

Level 2: Valuation where quoted market prices are not available or where the instrument is traded in a market that is not considered to be active or valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

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

Property, plant and equipment

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

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

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

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

2. Basis of preparation and significant accounting policies continued

2.4 Significant accounting policies continued

Right-of-use asset

The Bank leases its offices in various locations. Rental contracts are typically made for fixed periods of over 12 months to 9 years.

Contracts may contain both lease and non-lease components, which are treated separately. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis, with the lease liabilities including the net present value of fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less, any initial direct costs and restoration costs. The assets are then written off over the period of the lease.

Intangible assets

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

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

Software	5 years

Trade and other payables and receivables

Trade and other payables and receivables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Included within other payables are bonuses that have been deferred for three years, as noted on page 25.

Impairment of non-financial assets

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

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

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

Provisions

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

Current and deferred tax

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

Deferred tax is recognised in respect of unutilised tax losses and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Pension costs

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

Restricted Share Plan

The Bank operates a share-based compensation plan under which it receives services from employees as consideration for shares in Access Bank Plc. The minimum vesting period is three years from the award date, and staff may elect for the shares to vest at any time up to the tenth anniversary of the award date. On vesting, the shares are settled in cash.

The shares on award date are purchased by The AB EBT Limited on behalf of The Access Bank UK Employee Benefit Trust. As the shares are cash settled, a liability is recognised in the statement of financial position and an expense is recognised in the statement of comprehensive income in operating expenses over the course of the minimum vesting period. The liability is remeasured at each reporting date with gains and loss reported in the statement of comprehensive income. Should any employee within the scheme leave the Bank within the vesting period, the shares may be forfeited.

3. Critical accounting estimates and judgements

The Bank's principal accounting policies are set out above. UK company law and IFRS require the Directors to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable. Where accounting standards are not specific and management have to choose a policy, International Accounting Standard ('IAS') 8 Accounting Policies, Changes in Accounting Estimates and Errors requires them to adopt policies that will result in information that is relevant, reliable, free from bias, and complete in all material respects.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

The Directors consider that the critical accounting judgements and estimates which have the most significance for the financial statements are in relation to the measurement of the expected credit loss allowance.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 24, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for significant increase in credit risk;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- the determination of PDs and LGDs for certain Stage 2 and 3 exposures based on management's assessment of the facts and circumstances of the exposures; and
- with respect to loans that are subject to credit insurance (structured trade finance), and where the insurance policy is integral to the loan contract, an assessment of the likelihood that the insurance claim will be successful, and that the Bank will receive a pay-out from the relevant insurance company.

As at 31 December 2021, the estimate of the likelihood of the Bank receiving a pay-out under the insurance policies was the most significant judgement. Details regarding the assumptions used in determining the estimate, and the sensitivity of these estimates to reasonable possible changes in the assumptions, are given on page 38.

Detailed information about the judgements and estimates made by the Bank in the above areas is set out in note 24 (d).

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

4. Interest income on assets at amortised cost/FVOCI

	2021 $	2020 $
Derived from:		
Cash and money market placements	32,452	157,029
Loans and advances to banks	34,912,021	31,804,096
Loans and advances to customers	66,104,183	64,319,222
Investment securities at FVOCI	–	478,548
Total interest income	**101,048,656**	96,758,895

5. Interest expense

	2021 $	2020 $
Payable on:		
Customer term deposits	7,537,832	10,935,519
Other customer deposits	8,787	15,020
Deposits from banks	9,938,859	13,524,214
Interest expense on lease liabilities	100,251	96,388
Total interest expense	**17,585,729**	24,571,141

6. Fee and commission income and expense

	2021 $	2020 $
Derived from:		
Trade finance	24,117,537	24,496,902
Funds transfer	849,146	513,847
Other	2,176,507	1,732,647
Total fee and commission income	27,143,190	26,743,396
Fee and commission expense on trade finance	(1,850,925)	(1,221,054)
Net fee and commission income	**25,292,265**	**25,522,342**

7. Business and geographical segments

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

8a. Provision for expected credit losses

The below table summarises the credit impairment charge and releases for the year in the income statement.

	2021 $	2020 $
Cash at bank	49	421
Money market placements	375	2,585
Loans and advances to banks	851,345	(755,732)
Loans and advances to customers	(33,262,162)	(57,883,971)
Contingents	(57,857)	–
Total credit impairment charge	**(32,468,250)**	**(58,636,697)**

The $32,468,250 (2020: $58,636,697) charge reflects the recognition of impairment provisions under IFRS 9 Financial Instruments. The charge on loan and advances to customers is predominately due to the impact of Covid-19 on the credit performance of customers, mainly from structured trade finance loans in the commodity sector.

Further information on the change in impairment allowance is disclosed on note 24.

8b. Other operating income

This represents the Bank's recovery in respect of a claim under its Financial Crime Insurance Policy, commonly referred to as the Bankers Blanket Policy. The Claim was in respect of losses incurred by the Bank in respect of an impaired loan in the structured trade finance portfolio, which was written off in the period.

9. Information regarding Directors and employees

Employment costs are as follows:

	2021 $	2020 $
Personnel expenses		
Wages and salaries	17,918,540	14,189,923
Pension costs – defined contribution scheme	1,228,096	858,567
Social security costs	2,218,020	1,154,438
Other personnel expenses	1,010,839	852,571
Total personnel expenses	**22,375,495**	**17,055,499**

A sum of $59,164 (2020: $378,780) has been awarded in respect of bonuses which have been deferred for three years.

A share-based payments scheme was launched in 2014 for eligible Directors and employees. Shares of Access Bank Plc, the ultimate parent, are acquired and allotted to the Directors and employees. The minimum vesting period is three years from award date, and staff may elect for the shares to vest at any time after this date and up to the tenth anniversary of the award date. On vesting the shares are settled in cash. 36,931,448 shares with an initial value of $591,637 were granted in 2021 (2020: 28,626,620 shares with an initial value of $507,373). 2,729,676 shares were forfeited in the year (2020: No shares).

	2021	2020
Number of employees at year-end	154	145
Monthly average number of employees during the year	150	144

During the year, there were an average of 66 (2020: 64) employees involved in fee-earning roles and 84 (2020: 80) in administration.

The Directors' remuneration for the year was as follows:

	2021 $	2020 $
Directors' remuneration and fees		
Fees	199,506	186,180
Other emoluments	2,513,556	1,354,229
Pension contributions	–	8,560
	2,713,062	**1,548,969**

The highest paid Director received emoluments excluding pension contribution totalling $1,582,478 (2020: $818,863) and pension contributions of Nil (2020: Nil). Retirement benefits are accrued under defined contribution schemes.

10. Operating profit before tax

	2021 $	2020 $
Operating profit before tax is stated after charging:		
Depreciation of property, plant and equipment	435,940	411,104
Depreciation leases of right-of-use asset	1,042,196	1,331,665
Amortisation of intangibles	429,620	566,163
	1,907,756	**2,308,932**

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

11. Auditors' remuneration

	2021 **$**	2020 $
Fees payable to the company's auditors for the audit of the financial statements:		
Audit of these financial statements	349,203	270,924
Audit of the year-end group reporting package	232,114	109,140
Other audit related services	110,210	98,868
Review of the half-year group reporting package	107,320	53,928
Other assurance services	12,732	12,840
Total auditors' remuneration	**811,579**	**545,700**

The costs of the review of the half-year reporting package were incurred by the Bank and recharged to Access Bank Plc.

The 2021 total above excludes a scope variation of $275,180 in respect of the 2020 statutory audit.

12. Taxation

	2021 **$**	2020 $
Current tax:		
UK corporation tax	11,246,559	3,171,255
Deferred tax:		
Temporary difference, origination and reversal	117,755	152,355
Tax charge on profit on ordinary activities	**11,364,314**	**3,323,610**
Effective tax rate	21.91%	19.75%

The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

	2021 **$**	2020 $
Profit before tax	51,859,841	16,828,643
Profit before tax multiplied by the UK mainstream 19.00% (2020: 19.00%)	9,853,370	3,197,442
Effect of:		
Expenses not deductible for tax purposes	44,038	35,364
Capital allowances less than depreciation	(44,479)	(61,552)
Bank surcharge	1,393,737	–
Temporary difference, origination and reversal	117,755	152,355
Effect of tax rate change	(107)	–
Current tax expense	**11,364,314**	**3,323,609**
Deferred tax liability:		
Balance as at 1 January	395,016	233,658
Charged to comprehensive income	117,755	152,355
Currency translation impact	(2,854)	9,003
Balance as at 31 December	**509,917**	**395,016**

The mainstream rate of corporation tax for the tax year was 19.00% and the bank corporation tax surcharge rate of 8.00% was applicable on profits above £25,000,000 and this resulted in a weighted average effective tax rate of 21.95% for 2021 (2020: 19.75%). The deferred tax liability as at 31 December 2021 has been calculated based on an effective rate of 21.95% (2020: 19.75%).

The deferred tax liability relates to timing differences between fixed assets depreciation and capital allowance amounts.

13. Investment securities

	2021 $	2020 $
US Treasury bills and government bonds	607,500,000	355,007,353
Listed equity securities in financial institutions	2,546,734	1,649,819
	610,046,734	**356,657,172**

The US Treasury bills and government bonds are held as part of the Bank's liquidity buffer and are either held directly or indirectly through the BlackRock US Treasury Fund. As at 31 December 2021 there were no impaired investments (2020: nil). The maturity analysis of these investment securities is disclosed in note 24.

14. Loans and advances to banks

	2021 $	2020 $
Loans to Group undertakings		
Parent bank	179,350,887	203,291,984
Fellow subsidiaries	–	24,733,840
Loans to other banks	670,185,456	716,592,850
Total gross amount	**849,536,343**	**944,618,674**
Allowance for impairment losses	(78,483)	(929,828)
Total net amount	**849,457,860**	**943,688,846**

Loans and advances to banks are categorised as 'amortised cost' in accordance with IFRS 9. See note 2 for definition.

As at 31 December 2021 there were no loans to banks that were credit impaired (2020: there were no impaired loans). The fair value of the cash collateral held and the maturity profile of these loans is disclosed in note 24.

15. Loans and advances to customers

	2021 $	2020 $
Loans and advances to corporates	945,299,500	811,687,496
Loans secured on property	117,456,126	110,524,934
Other secured personal loans	66,491,771	26,719,797
Total gross amount	**1,129,247,397**	**948,932,227**
Allowance for impairment losses	(74,848,369)	(58,436,068)
Total net amount	**1,054,399,028**	**890,496,159**

Loans and advances to customers are categorised as 'amortised cost' in accordance with IFRS 9. See note 2 for definition.

As at 31 December 2021 there were property loans to seven customers of $4,896,968 that were credit impaired (2020: property loans to four customers of $7,151,404). These loans were collateralised with current property value of $11,110,435 (2020: $12,614,535).

As at 31 December 2021 there were trade loans to ten customers of $180,401,046 that were credit impaired with an impairment provision of $74,317,562. These loans were collateralised by cash collateral of $10,599,192 or subject to credit insurance of $158,250,030. As at 31 December 2020 there were trade loans for five customers of $105,908,431 that were credit impaired with an impairment provision of $48,976,734. These loans were collateralised by cash collateral of $3,431,250 or subject to credit insurance of $82,498,052.

The maturity profile of these loans is disclosed in note 24.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

16. Property, plant, equipment and right-of-use assets

a) Property, plant and equipment

	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Cost						
Balance at 1 January 2021	1,455,796	1,329,927	168,196	469,765	98,987	3,522,671
Additions	15,392	110,286	–	10,487	9,039	145,204
Balance at 31 December 2021	**1,471,188**	**1,440,213**	**168,196**	**480,252**	**108,026**	**3,667,875**
Balance at 1 January 2020	997,073	974,748	168,196	400,603	237,792	2,778,412
Additions	323,014	352,103	–	68,563	–	743,680
Disposals/write-offs	–	–	–	–	(951)	(951)
Transfers	132,887	–	–	–	(137,854)	(4,967)
FX translation difference	2,822	3,076	–	599	–	6,497
Balance at 31 December 2020	**1,455,796**	**1,329,927**	**168,196**	**469,765**	**98,987**	**3,522,671**

	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Accumulated depreciation						
Balance at 1 January 2021	(918,874)	(893,056)	(117,733)	(358,117)	–	(2,287,780)
Depreciation for the year	(159,217)	(219,157)	(15,282)	(42,284)	–	(435,940)
Balance at 31 December 2021	(1,078,091)	(1,112,213)	(133,015)	(400,401)	–	(2,723,720)
Balance at 1 January 2020	(696,730)	(756,964)	(103,481)	(319,501)	–	(1,876,676)
Depreciation for the year	(222,144)	(136,092)	(14,252)	(38,616)	–	(411,104)
Balance at 31 December 2020	(918,874)	(893,056)	(117,733)	(358,117)	–	(2,287,780)
Net book value						
At 31 December 2021	**393,097**	**328,000**	**35,181**	**79,851**	**108,026**	**944,155**
At 31 December 2020	**536,922**	**436,871**	**50,463**	**111,648**	**98,987**	**1,234,891**

Capital work in progress represents costs incurred on various tangible projects, whose costs will be depreciated when brought into primary use.

b) Right-of-use assets

	Buildings $	**Total $**
Cost		
Balance at 1 January 2021	7,251,649	7,251,649
Additions	1,382,046	1,382,046
Balance at 31 December 2021	**8,633,695**	**8,633,695**
Accumulated depreciation		
Balance at 1 January 2021	(2,400,237)	(2,400,237)
Depreciation for the year	(1,042,196)	(1,042,196)
Balance at 31 December 2021	**(3,442,433)**	**(3,442,433)**
Net book value at 31 December 2021	**5,191,262**	**5,191,262**

	Buildings $	Total $
Cost		
Balance at 1 January 2020	2,874,846	2,874,846
Additions	4,703,110	4,703,110
Disposals	(401,647)	(401,647)
FX translation	75,340	75,340
Balance at 31 December 2020	**7,251,649**	**7,251,649**
Accumulated depreciation		
Balance at 1 January 2020	(1,008,120)	(1,008,120)
Depreciation for the year	(1,331,665)	(1,331,665)
Disposals	(60,452)	(60,452)
Balance 31 December 2020	**(2,400,237)**	**(2,400,237)**
Net book value at 31 December 2020	**4,851,412**	**4,851,412**

Lease liabilities

	2021 $	2020 $
Current	1,624,298	859,649
Non-current	3,469,428	3,908,497
Total carrying amount	**5,093,726**	**4,768,146**

Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following relating to leases:

	2021 $	2020 $
Depreciation	1,042,196	1,331,665
Interest expense on lease liabilities (included in Interest expense)	100,251	96,388
Expense relating to short-term leases (included in Other expenses)	52,181	546,283
Expense relating to leases with substantive substitution right (included in Other expenses)	41,081	35,310
	1,235,709	**2,009,646**

The total cash outflow for leases in 2021 was $1,156,685 (2020: $1,331,105).

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

17. Intangible assets

	Intangible work in progress $	Computer software $	Total $
Cost			
Balance at 1 January 2021	1,186,709	4,539,855	5,726,564
Additions	557,551	182,902	740,453
Disposals	(9,573)	–	(9,573)
Transfers from intangible WIP to software	(154,697)	154,697	–
Balance at 31 December 2021	**1,579,990**	**4,877,454**	**6,457,444**
Balance at 1 January 2020	987,133	4,306,142	5,293,275
Additions	169,926	204,070	373,996
Transfers from capital work in progress	4,967	–	4,967
FX Translation Difference	24,683	29,643	54,326
Balance at 31 December 2020	**1,186,709**	**4,539,855**	**5,726,564**
Accumulated amortisation			
Balance at 1 January 2021	–	(3,349,901)	(3,349,901)
Amortisation for the year	–	(429,620)	(429,620)
Balance at 31 December 2021	**–**	**(3,779,521)**	**(3,779,521)**
Balance at 1 January 2020	–	(2,783,738)	(2,783,738)
Amortisation for the year	–	(566,163)	(566,163)
Balance at 31 December 2020	**–**	**(3,349,901)**	**(3,349,901)**
Net book value			
As at 31 December 2021	**1,579,990**	**1,097,933**	**2,677,923**
As at 31 December 2020	**1,186,709**	**1,189,954**	**2,376,663**

The intangible assets relate to software applications and licences purchased, and capitalised consultancy fees relating to their implementation. The intangible work in progress represents costs incurred on various software projects, whose costs will be amortised when brought into primary use.

18. Other assets

	2021 $	2020 $
Financial assets		
Derivative financial instruments (see note 22)	231,152	12,502,777
Accrued income	5,479,491	2,126,510
Amounts due from fellow Group undertakings	1,361,513	1,128,301
Other receivables	2,392,268	1,575,198
	9,464,424	**17,332,786**
Non-financial assets		
Prepayments	17,548,767	14,128,740
	27,013,191	**31,461,526**

19. Deposits from banks

	2021 $	2020 $
Amounts due to Group undertakings		
Parent bank	904,145,413	534,713,429
Fellow subsidiaries	29,674,980	26,622,898
Amounts due to other banks	808,338,350	589,019,538
	1,742,158,743	**1,150,355,865**

The maturity profile of these deposits is disclosed in note 24.

20. Deposits from customers

	2021 $	2020 $
Current accounts	404,964,627	255,568,249
Deposit accounts	530,833,747	620,928,761
	935,798,374	**876,497,010**

The maturity profile of these deposits is disclosed in note 24.

21. Other liabilities

	2021 $	2020 $
Financial liabilities		
Derivative financial instruments (see note 22)	1,420,765	275,867
Amounts due to fellow Group undertakings	59,704	19,206
Social security and other taxes	863,515	328,211
Other financial liabilities	8,507,910	7,118,120
Lease liabilities	5,093,726	4,768,146
Provision for corporation tax	–	–
Deferred income	7,863,317	10,308,930
	23,808,937	**22,818,480**
Non-financial liabilities		
Other creditors including accrued expenses	1,674,844	7,264,607
	25,483,781	**30,083,087**

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

22. Derivative financial instruments

	2021 $	2020 $
Forward foreign currency contracts		
Receivables	231,152	12,502,777
Payables	(1,420,765)	(275,867)

Derivative financial instruments consist of short-term forward foreign exchange contracts. Forwards are held for day-to-day cash management rather than for trading purposes and are held at fair value. These foreign exchange contracts have intended settlement dates within twelve months. This is the only category of derivative instruments held by the Bank as at 31 December 2021. All forward contracts are considered to be level 2 (i.e. are priced with reference to observable market data).

23. Commitments and guarantees

a) Pension commitments

The Bank provides a defined contribution pension scheme for all staff. The assets of the scheme are held separately from those of the Bank in independently administered funds. During the year, pension costs of $1,228,096 (2020: $858,567) were charged to profit and loss. As at the balance sheet date there was a $12,391 pension payable balance (2020: Nil).

b) Trade finance commitments

	2021 $	2020 $
Letters of credit (including cash-backed)	367,661,716	218,956,702
Other commitments	14,718,840	23,433,516
Guarantees	33,930,920	9,500,000
	416,311,476	**251,890,218**

Included in letters of credit and guarantees are cash collateralised transactions amounting to $121,710,570 (2020: $145,192,973). Other commitments relate to undrawn property commitments.

c) Operating lease commitments

	2021 $	2020 $
Less than 1 year	88,212	86,650
1-5 years	197,351	273,568
Above 5 years	–	15,396
	285,563	**375,614**

Non-cancellable operating lease payables:

The Bank has adopted IFRS 16 Leases from 1 January 2019 and the above represents leases with substantive substitution rights.

24. Financial instruments

a) Financial instruments classification

2021	Amortised cost $	Financial assets at FVPL $	Financial assets at FVOCI $	Total $
Assets				
Cash at bank	531,094,912	–	–	531,094,912
Money market placements	3,928,474	–	–	3,928,474
Loans and advances to banks	849,457,860	–	–	849,457,860
Loans and advances to customers	1,054,399,028	–	–	1,054,399,028
Derivative instruments	–	231,152	–	231,152
Investment securities	–	607,500,000	2,546,734	610,046,734
Other financial assets	9,233,272	–	–	9,233,272
Total assets	**2,448,113,546**	**607,731,152**	**2,546,734**	**3,058,391,432**

2021	Financial liabilities at amortised cost $	Financial liabilities at FVPL $	Total $
Liabilities			
Deposits from banks	1,742,158,743	–	1,742,158,743
Deposits from customers	935,798,374	–	935,798,374
Derivatives	–	1,420,765	1,420,765
Other financial liabilities	22,388,172	–	22,388,172
Total liabilities	**2,700,345,289**	**1,420,765**	**2,701,766,054**

2020	Amortised cost $	Financial assets at FVPL $	Financial assets at FVOCI $	Total $
Assets				
Cash at bank	160,274,778	–	–	160,274,778
Money market placements	6,510,993	–	–	6,510,993
Loans and advances to banks	943,688,846	–	–	943,688,846
Loans and advances to customers	890,496,159	–	–	890,496,159
Derivative instruments	–	12,502,777	–	12,502,777
Investment securities	–	355,007,353	1,649,819	356,657,172
Other financial assets	4,830,009	–	–	4,830,009
Total assets	**2,005,800,785**	**367,510,130**	**1,649,819**	**2,374,960,734**

2020	Financial liabilities at amortised cost $	Financial liabilities at FVPL $	Total $
Liabilities			
Deposits from banks	1,150,355,865	–	1,150,355,865
Deposits from customers	876,497,010	–	876,497,010
Derivatives	–	275,867	275,867
Other financial liabilities	22,542,613	–	22,542,613
Total liabilities	**2,049,395,488**	**275,867**	**2,049,671,355**

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

b) Valuation hierarchy

The table below analyses the financial assets and liabilities of the Bank which are carried at fair value, in line with the accounting policy on page 21. They are categorised into levels 1 to 3 based on the degree to which their fair value is observable. The fair value measurement approach is recurring in nature.

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVPL:				
Investment securities	607,500,000	–	–	607,500,000
Derivative financial instruments	–	231,152	–	231,152
Financial assets at FVOCI:				
Investment securities	2,546,734	–	–	2,546,734
	610,046,734	**231,152**	**–**	**610,277,886**
Financial liabilities at FVPL:				
Derivative financial instruments	1,420,765	–	–	1,420,765
	1,420,765	**–**	**–**	**1,420,765**

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVPL:				
Investment securities	355,007,353	–	–	355,007,353
Derivative financial instruments	–	12,502,777	–	12,502,777
Financial assets at FVOCI:				
Investment securities	1,649,819	–	–	1,649,819
	356,657,172	**12,502,777**	**–**	**369,159,949**
Financial liabilities at FVPL:				
Derivative financial instruments	275,867	–	–	275,867
	275,867	**–**	**–**	**275,867**

c) Risk management

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

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

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

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

d) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Bank's customers, clients or market counterparties fail to fulfil their contractual obligations to the Bank. Credit risk arises mainly from interbank, commercial and consumer loans and advances, and loan commitments arising from such lending activities, but can also arise from credit enhancement provided, financial guarantees, letters of credit, endorsement and acceptances.

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

Several control frameworks are in place; examples include:

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

Multiple methodologies are used to inform the decision on individual large credits, including internal analysis, rating agency ratings, and for wholesale assets market information such as credit spreads. For smaller credits, a single source may suffice such as the result from a rating agency. The Basel III approach is used to implement the Standardised Model.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. Credit risk management and control are centralised in a credit risk management team which reports regularly to the Board of Directors.

The estimation of credit exposure for risk management purposes requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, and the associated loss ratios.

The Bank estimates ECLs using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

The PDs of the Bank's main portfolios were determined as follows:

The Bank has used reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions. The Bank commissioned a leading Pan African Credit Rating Agency to provide Through the Cycle ('TTC') Probability of Default data ('PD') for the portfolio of loans to banks, which are then converted to Point in Time ('PIT') PDs as required by IFRS 9. The Bank uses Fitch ratings for cash and short-term placements, which are placed with non-African banks, with Fitch ratings of BBB- and above).

Loans to banks

This is mainly made up of loans to Sub-Saharan African Correspondent banks, and group undertakings (which were fully cash collateralised). The Bank utilised the ratings and data supplied by a leading Pan African Credit Rating Agency across the Correspondent Banking lending portfolios.

- The Bank has calculated the EAD to be the full value of the exposure plus future interest accrued to maturity (or a 12-month period) on a transaction-by-transaction basis.
- Loss Given Default (LGD) – LGDs are determined individually for contingent and direct exposures. The starting point for estimating the LGD is the standard LGD rate of 45.00% set out in the capital requirement framework under Basel II, which is then adjusted to reflect any collateral received, and the specific circumstances of the borrower.

Loans to customers

This is mainly made up of loans and advances to corporates including loans subject to credit insurance, loans secured by property and other secured personal loans. For the loans and advances to corporates, the Bank has utilised the ratings and probability of default data supplied by Access Bank Plc where available, which management deem to be a reasonable estimation, given their in-depth knowledge of the local market, and these customers. With respect to corporates where Access Plc has been unable to provide a PD, as a proxy we have applied a PD rating of 13.65%, equivalent of a Bank risk rating of 3 and being the lowest rated customer that the Bank would lend to under this product. For Loans subject to credit insurance, we have engaged with experts to advise on the likelihood of the Bank receiving a pay-out under each policy.

- The Bank has calculated the EAD to be full value of the exposure plus future interest accrued to maturity (or a 12-month period) on a transaction-by-transaction basis.
- Loss Given Default (LGD) – LGDs are determined individually for contingent and direct exposures. The starting point for estimating the LGD is the standard LGD rate of 45.00% set out in the capital requirement framework under Basel II, which is then adjusted to reflect any collateral received, as detailed on page 41-42, and the specific circumstances of the borrower. For credit insured loans, the Bank takes into account the rating of the insurance provider, when estimating the LGD.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

d) Credit risk continued

This portfolio reflects the following activity:
- Overnight current account balances.
- Short-term deposit placements in support of low-risk trade finance instruments.
- Bank of England reserves account balances.

The Bank has utilised the ratings and data supplied by the Fitch Ratings Agency.

Investment securities

This portfolio consists of short-dated US Government Treasury Bill Holdings. The PDs have been derived from historic Fitch Ratings default data, adjusted in accordance with the corresponding short-term and long-term ratings outlook.

Expected credit loss measurement

The introduction of IFRS 9 introduced three mandated staging criteria for assessing the requirement for impairment provisions. The three stages are summarised below:
- Underlying assets classed as 'Performing', with no significant increase in credit risk are classified in "Stage 1". Within Stage 1, assets are classified as investment grade where the obligors have Fitch investment grade ratings of AAA, AA or A while all other Stage 1 exposures are classified as non-investment grade.
- The underlying asset would be moved to "Stage 2" if there is a significant increase in credit risk. This asset is classed as 'Under Performing'.
- The underlying asset is moved to "Stage 3" if it is classed as 'non-Performing' and is deemed to be credit impaired.

Financial instruments in Stage 1 have their ECL measured at initial recognition for a 12-month period, with the loss allowance being charged through statement of comprehensive income.

Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis following the occurrence of an event that significantly increases the credit risk of a financial asset since initial recognition.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since original recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Default/Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Transition from Stage 1 to Stage 2

Transition from Stage 1 to Stage 2 occurs when a loan or debt instrument is assessed to have experienced significant increase in credit risk:

Quantitative measures

The Bank will downgrade an exposure when an exposure is not being serviced and/or where an interest payment is not covered (servicing difficulties).

As a default assumption any asset for which a payment is past due by more than 30 days will move from Stage 1 to Stage 2.

Qualitative measures

The Bank will assess a number of criteria to assess whether there is an indication of a significant increase in credit risk, the most significant of which are:
- Covenant breaches.
- Security shortfalls.
- Significant adverse developments.

Cash at bank and money market placements

Transition from Stage 2 to Stage 3

A loan or debt instrument is moved from Stage 2 to Stage 3 when the facility is considered to be in default or credit impaired.

Quantitative measures

Any exposures with more than three missed payments, or which is more than 90 days past due, are considered to be in default for IFRS 9 purposes.

Qualitative measures

The Bank will assess a number of criteria to assess whether an asset is credit impaired, the most significant of which are:

- Where there are continual requests for the rolling or extension of the exposure, which prompt a requirement for enhanced scrutiny.
- Continued covenant breaches.
- Continued security shortfalls.
- Continued adverse developments.

The above measures are not exhaustive and a recommendation can be made for the exposure to be downgraded if there are other factors which indicate an increase in credit risk.

Measuring ECL – explanations of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as below:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per 'definition of default and credit-impaired' above), either over the next 12 months (12M PD), or over the remaining lifetime (lifetime PD) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- With respect to loans to customers subject to trade credit insurance policies (structured trade finance) which have defaulted, the most likely source of recovery is under the insurance policy and the Bank has estimated the likelihood of the Bank receiving a pay-out based on a successful claim in accordance with the insurance policy. The terms of the insurance policies mean that there is uncertainty as to whether the Bank's claims will be successful. For all claims, where customers are in default and claims have been submitted, the Bank has engaged experts to advise on the likelihood of the Bank receiving a pay-out under each policy, and the experts have provided a range of probabilities of success for each claim. Management have then exercised their judgement to select a probability of recovery from within each range. The information considered by management and their experts included underlying transaction details and contracts, the terms and conditions of the respective insurance policies and relevant correspondence with insurers and customers.

The ECL is determined by projecting the PD, LGD and EAD for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not been prepaid or defaulted in an earlier month).

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The majority of the loan book consists of amortising products and bullet repayment loans, and the EADs are based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Notes to the Financial Statements *continued*
For the year ended 31 December 2021

24. Financial instruments continued
d) Credit risk continued

Forward-looking information incorporated in the ECL models
The recognition and measurement of ECL is complex and involves the use of significant judgement and estimation. This includes the formulation and incorporation of forward-looking economic scenarios to meet the measurement objective of IFRS 9. In considering the forward-looking economic scenarios, the Bank has assessed its various portfolios to identity those that share common characteristics. An analysis of the Bank's business model and balance sheet shows three main portfolios, each sharing common characteristics, being cash at bank and money market placements, loans to banks and corporates that are related to Nigeria and other Sub-Saharan countries, and loans to individuals and corporates that are secured on UK property. For each portfolio the Bank has determined three economic scenarios, representative of our view of forecast economic conditions for each, which are selected in order to calculate an unbiased ECL. They represent a central outcome reflective of current position as at 31 December 2021 ('base' scenario) and two outer scenarios, referred to as the 'upside' and 'downside' scenarios.

For cash at bank and money market placements, in determining the three scenarios, we have considered GDP growth, interest rates, and total consumer spending. The base scenario is assigned a weighting of 45%, the upside scenario 35% and the downside scenario 20%, with this weighting based upon current forecasts. To model the impact of each scenario, we have assumed that for the upside scenario the PDs and LGDs are each decreased by 4.41%% (i.e. a 20% PD would become 19.1%), and for the downside scenario the PDs and LGDs are each increased by 2.33%.

For loans and advances to banks and corporates that are related to Nigeria and other Sub-Saharan countries, in determining the three scenarios, we have considered GDP growth, oil prices, oil production and foreign currency reserves. The base scenario is assigned a weighting of 40%, the upside scenario 35% and the downside scenario 25%, with the weighting to the upside reflecting that figures the latest growth forecasts. To model the impact of each scenario, we have assumed that for the upside scenario the PDs and LGDs are each decreased by 16%, and for the downside scenario the PDs and LGDs are each increased by 23%.

For loans secured on property, the key determinant was house prices. The base scenario is assigned a weighting of 70%, the upside scenario 20% and the downside scenario 10%. For the upside scenario we have assumed a one-year increase in house prices of 4%, and for the downside scenario we have assumed a one-year decrease in house prices of 26%.

For loans to customers subject to trade credit insurance policies (structured trade finance) which have defaulted, and the likelihood of recovery from the customer is remote, the most likely recovery is under the underlying insurance policy. Consequently, the likelihood of recovery under the insurance policy is the key determinant in calculating the ECL. As noted above management exercise judgement in this respect, with the probability of recovery set on a customer-by-customer basis dependent upon the underlying circumstances for each customer and the terms of the relevant insurance policy. Across all loans where recovery is expected from a successful claim under the insurance policy, the range of probabilities for a successful insurance claim used in determining the allowance for ECL is 40% to 80%.

The forward-looking economic scenarios and weightings above are deemed appropriate for the computation of an unbiased ECL.

Sensitivity of ECL calculations
The estimation of the ECL for Stage 2 and 3 loans requires significant judgement, particularly for Stage 3 loans where the entity is in default. In particular as noted under the critical accounting judgements, as at 31 December 2021, the assessment of the estimate of the likelihood of the Bank receiving a pay-out under the insurance policies that are integral for certain customer loans, was the most significant judgement.

Across the portfolio, the credit impairment provision for Stage 1 loans is not particularly sensitive to a change in the weighting. A 20% increase in the scenario weighting of the downside scenarios across the portfolios (e.g. the downside weighting for cash at bank and money market placements increases from 20% to 40%), coupled with a 20% decrease in the weighting of the base scenario, would result in an increase of $55,654 in the impairment provision. Applying a weighting of 100% to the downside scenario would result in an increase of $267,442 in the impairment provision.

For customer loans that are subject to credit insurance and which are at Stage 3, the ECL is estimated on a customer-by-customer basis under two scenarios (base and downside) with probability weights assigned based on recovery prospects, and in particular the likelihood of a pay-out under the underlying credit insurance policy. To illustrate the sensitivity of the ECL estimation, a 10% change in the weighting to the downside scenario across the Stage 2 and 3 loans (e.g. a downside weighting of 50% would be changed to 60%) would result in the provision being increased by $12,909,748, whilst a 10% reduction in the downside scenario would result in the provision being decreased by $13,271,237.

The above sensitivities represent management's best estimate of the reasonably possible range of outcomes and as a result the allowance for ECL could materially diverge from management's estimate used in these financial statements.

Credit risk exposure

Maximum exposure to credit risk

The maximum exposure to credit risk exposure in the event of other parties failing to perform their obligations is presented below. No account is taken of any collateral held and the maximum exposure to loss is considered to be the balance sheet carrying amount or, for non-derivative off-balance sheet transactions, their contractual nominal amounts.

	2021 $	2020 $
Cash at bank	531,094,912	160,274,778
Money market placements	3,928,474	6,510,993
Investment securities	610,046,734	356,657,172
Loans to customers:		
Retail loans (including retail mortgages)	147,076,616	109,784,290
Corporate loans (including corporate mortgages)	907,322,412	780,711,869
Loans to banks	849,457,860	943,688,846
Total on balance sheet	**3,048,927,008**	**2,357,627,948**
Guarantees	33,930,920	9,500,000
Other commitments	14,718,840	23,433,516
Letters of credit	367,661,716	218,956,702
Maximum credit risk exposure	**3,465,238,484**	**2,609,518,166**

The following tables contain an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

	Cash at bank 2021 ECL Staging			
	Stage 1 12-month ECL $	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Credit grade				
Investment grade	531,091,926	–	–	531,091,926
Non-investment grade	3,806	–	–	3,806
Gross carrying amount	**531,095,732**	**–**	**–**	**531,095,732**
Loss allowance	820	–	–	820
Carrying amount	**531,094,912**	**–**	**–**	**531,094,912**

	Money market placements 2021 ECL Staging			
	Stage 1 12-month ECL $	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Credit grade				
Investment grade	3,922,493	–	–	3,922,493
Non-investment grade	6,366	–	–	6,366
Gross carrying amount	**3,928,859**	**–**	**–**	**3,928,859**
Loss allowance	385	–	–	385
Carrying amount	**3,928,474**	**–**	**–**	**3,928,474**

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

d) Credit risk continued

	Loans to customers 2021 ECL Staging			
	Stage 1 12-month ECL $	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Credit grade				
Non-investment grade	927,874,029	–	–	927,874,029
Under performing	–	16,075,352	–	16,075,352
Default monitoring/credit impaired	–	–	185,298,016	185,298,016
Gross carrying amount	**927,874,029**	**16,075,352**	**185,298,016**	**1,129,247,397**
Loss allowance	486,733	44,074	74,317,562	74,848,369
Carrying amount	**927,387,296**	**16,031,278**	**110,980,454**	**1,054,399,028**

	Loans to banks 2021 ECL Staging			
	Stage 1 12-month ECL $	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Credit grade				
Investment grade	2,410,000	–	–	2,410,000
Non-investment grade	840,925,260	–	–	840,925,260
Under performing	–	6,201,083	–	6,201,083
Gross carrying amount	**843,335,260**	**6,201,083**	**–**	**849,536,343**
Loss allowance	64,118	14,365	–	78,483
Carrying amount	**843,271,142**	**6,186,718**	**–**	**849,457,860**

	Cash at bank 2020 ECL Staging			
	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment grade	160,270,498	–	–	160,270,498
Non-investment grade	5,149	–	–	5,149
Gross carrying amount	**160,275,647**	**–**	**–**	**160,275,647**
Loss allowance	869	–	–	869
Carrying amount	**160,274,778**	**–**	**–**	**160,274,778**

	Money market placements 2020 ECL Staging			
	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment grade	6,505,133	–	–	6,505,133
Non-investment grade	6,620	–	–	6,620
Gross carrying amount	**6,511,753**	**–**	**–**	**6,511,753**
Loss allowance	760	–	–	760
Carrying amount	**6,510,993**	**–**	**–**	**6,510,993**

	Loans to customers 2020 ECL Staging			
	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Non-investment grade	739,050,772	–	–	739,050,772
Under performing	–	96,821,620	–	96,821,620
Default monitoring/credit impaired	–	–	113,059,835	113,059,835
Gross carrying amount	**739,050,772**	**96,821,620**	**113,059,835**	**948,932,227**
Loss allowance	736,544	8,722,790	48,976,734	58,436,068
Carrying amount	**738,314,228**	**88,098,830**	**64,083,101**	**890,496,159**

	Loans to banks 2020 ECL Staging			
	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Non-investment grade	944,618,674	–	–	944,618,674
Gross carrying amount	**944,618,674**	**–**	**–**	**944,618,674**
Loss allowance	929,828	–	–	929,828
Carrying amount	**943,688,846**	**–**	**–**	**943,688,846**

Maximum exposure to credit risk – financial instruments subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e. FVPL)

	2021 $	2020 $
Derivatives	**231,152**	12,502,777
Other financial assets not subject to impairment	**9,233,272**	4,830,009

Collateral and other credit enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Bank prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The principal collateral types for loans and advances are:

- Mortgages over residential and non-residential properties.
- Margin agreement for derivatives, for which the Bank has also entered into master netting agreements.
- Guarantees from well reputed local or international bank or financial institutions.
- Charges over financial instruments such as debt securities and equities.
- Credit insurance policies.

Longer-term finance and lending to corporate entities are generally secured.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument.

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

The Bank's financial assets originated by the mortgage business have sufficiently low 'loan to value' (LTV) ratios, which for most loans results in no loss allowance being recognised in accordance with the Bank's expected credit loss model. The carrying amount of such financial assets is $118,528,840 as at 31 December 2021 (2020: $110,524,933).

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

d) Credit risk continued

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses, or seek payments under related trade credit insurance policies.

Financial assets that are credit-impaired are shown below:

2021	Gross exposure $	Impairment allowance $	Carrying amount $
Credit-impaired assets			
Loans to customers:			
Mortgages	4,896,968	–	4,896,968
Time loans (loans with tenor of less than 1 year)	180,401,048	74,317,562	106,083,486
Total credit-impaired assets	**185,298,016**	**74,317,562**	**110,980,454**

2020	Gross exposure $	Impairment allowance $	Carrying amount $
Credit-impaired assets			
Loans to customers:			
Mortgages	7,151,404	–	7,151,404
Time loans (loans with tenor of less than 1 year)	105,908,431	48,976,734	56,931,697
Total credit-impaired assets	**113,059,835**	**48,976,734**	**64,083,101**

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stage 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent 'step up' (or 'step down') between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of the ECL due to changes made to the model and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis;
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- Financial assets derecognised during the period and write-off of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period due to these factors:

Cash at bank	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2021	869	–	–	869
New financial assets originated	(49)	–	–	(49)
Total net P&L charge during the period	**(49)**	**–**	**–**	**(49)**
Loss allowance as at 31 December 2021	**820**	**–**	**–**	**820**

Money market placements	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2021	760	–	–	760
Repayments	(760)	–	–	(760)
New financial assets originated	385	–	–	385
Total net P&L charge during the period	**(375)**	**–**	**–**	**(375)**
Loss allowance as at 31 December 2021	**385**	**–**	**–**	**385**

Loans to customers	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2021	736,544	8,722,790	48,976,734	58,436,068
Transfers:				
Stage 1 to Stage 2	(31,793)	31,793	–	–
Stage 1 to Stage 3	(66,892)	–	66,892	–
Stage 2 to Stage 3	–	(8,594,488)	8,594,488	–
Repayments	(668,879)	–	(223,516)	(892,395)
Changes in PDs/LGDs/EADs	63,341	(116,021)	33,752,825	33,700,145
New financial assets originated	454,412	–	–	454,412
Total net P&L charge during the period	**(249,811)**	**(8,678,716)**	**42,190,689**	**33,262,162**
Write-offs	–	–	(16,849,861)	(16,849,861)
Loss allowance as at 31 December 2021	**486,733**	**44,074**	**74,317,562**	**74,848,369**

Loans to banks	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2021	929,828	-	–	929,828
Transfers:				
Stage 1 to Stage 2	(14,365)	14,365	–	–
Repayments	(914,870)	–	–	(914,870)
New financial assets originated	64,098	–	–	64,098
Changes in PDs/LGDs/EADs	(573)	–	–	(573)
Total net P&L charge during the period	**(865,710)**	**14,365**	**–**	**(851,345)**
Loss allowance as at 31 December 2021	**64,118**	**14,365**	**–**	**78,483**

Contingents	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2021	–	–	–	–
New financial assets originated	57,857	–	–	57,857
Total net P&L charge during the period	**57,857**	**–**	**–**	**57,857**
Loss allowance as at 31 December 2021	**57,857**	**–**	**–**	**57,857**

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

d) Credit risk continued

Cash at bank	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2020	551	–	–	551
New financial assets originated	318	–	–	318
Total net P&L charge during the period	**318**	**–**	**–**	**318**
Loss allowance as at 31 December 2020	**869**	**–**	**–**	**869**

Money market placements	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2020	4,084	–	–	4,084
Repayments	(4,084)	–	–	(4,084)
New financial assets originated	760	–	–	760
Total net P&L credit during the period	**(3,324)**	**–**	**–**	**(3,324)**
Loss allowance as at 31 December 2020	**760**	**–**	**–**	**760**

Loans to customers	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2020	151,066	401,031	–	552,097
Repayments	(116,962)	(2,119)	–	(119,081)
New financial assets originated	715,199	–	–	715,199
Change in credit risk	1,693	13,824,390	43,461,770	57,287,853
Transfer across stages	(14,452)	(5,500,512)	5,514,964	–
Total net P&L charge during the period	**585,478**	**8,321,759**	**48,976,734**	**57,883,971**
Loss allowance as at 31 December 2020	**736,544**	**8,722,790**	**48,976,734**	**58,436,068**

Loans to banks	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2020	174,096	–	–	174,096
Repayments	(107,113)	–	–	(107,113)
New financial assets originated	786,049	–	–	786,049
Change in credit risk	76,796	–	–	76,796
Total net P&L credit during the period	**755,732**	**–**	**–**	**755,732**
Loss allowance as at 31 December 2020	**929,828**	**–**	**–**	**929,828**

Write-off policy

The Bank will write-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

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

	2021 $	2020 $
Concentration by sector		
Banks	914,753,603	1,020,285,830
Corporate	909,685,515	770,268,482
Government/multilateral development banks	1,086,009,702	462,942,832
Retail	147,942,612	121,463,590
	3,058,391,432	**2,374,960,734**
Concentration by location		
Africa	1,558,696,692	1,456,344,391
America	701,486,914	456,866,717
Europe	623,808,757	250,198,061
Other	174,399,069	211,551,565
	3,058,391,432	**2,374,960,734**

The above sector and geographical analyses include only cash at bank and money market placements, loans and advances to banks and to customers, financial assets, derivatives and other financial assets.

The Bank extends credit facilities for international trades to quality rated and unrated counterparties. In respect of placements with banks, all must have a Fitch (or equivalent) rating of no less than BBB-. In respect of banks for which correspondent banking services are provided, all rated counterparties must have a Fitch (or equivalent) rating of no less than B-. As at 31 December 2021, 100% of the Bank's cash and money market placements were held with financial institutions, with Fitch ratings of A- or above (2020: 99%).

The Bank's maximum exposure to credit risk before allowing for collateral held was $3,465,238,484 (2020: $2,609,518,166), these amounts include all financial assets and commitments. The credit risk exposure contains impaired exposures made up of property loans of $4,896,968 (2020: $7,151,404) which were fully collateralised and trade loans of $180,401,046 (2020: $105,908,431) which were collateralised by cash collateral of $10,599,192 and credit insurance of $158,250,030 (2020: cash collateral of $3,431,250 and credit insurance of $82,498,052).

As at 31 December 2021, the Bank's maximum exposure to credit risk after allowing for collateral held was $1,951,794,076 (2020: $1,311,599,106).

Total trade related exposure was $2,066,338,742 (2020: $1,895,737,376) against which the Bank had cash collateral of $506,166,272 (2020: $467,146,642), Nigerian Treasury Bills and Federal Government of Nigeria Bonds of $330,487,899 held with Access Bank Plc (2020: $301,247,792), and Ghanaian Treasury Bills of Nil with Access Bank (Ghana) Plc (2020: $18,128,030).

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

e) Market risk

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

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

Foreign exchange risk

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

Assets and liabilities in foreign currency

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

2021	Sterling $	US Dollars $	Euro $	Other currencies $	Total $
Assets	610,350,329	2,416,323,917	27,921,477	3,795,709	3,058,391,432
Liabilities	542,633,473	2,110,428,337	46,480,297	2,223,947	2,701,766,054
Foreign exchange forward contracts	(65,392,254)	48,551,699	18,168,313	(1,327,758)	–
Net financial (liabilities)/assets	2,324,602	354,447,279	(390,507)	244,004	356,625,378

2020	Sterling $	US Dollars $	Euro $	Other currencies $	Total $
Assets	241,332,439	2,118,931,113	12,686,329	2,010,853	2,374,960,734
Liabilities	580,770,498	1,452,422,437	22,353,817	384,118	2,055,930,870
Foreign exchange forward contracts	336,273,873	(344,742,480)	9,824,385	(1,355,778)	–
Net financial (liabilities)/assets	(3,164,186)	321,766,196	156,897	270,957	319,029,864

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

Interest rate risk

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

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

A sensitivity analysis carried out on floating rate assets and liabilities as at the statement of financial position date using a 100 basis points increase/(decrease) in interest rates would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the changes occurred at the statement of financial position date and had been applied to risk exposures existing at that date.

Impact on profit or loss and equity

	For the year ended 31 Dec 2021 $	For the year ended 31 Dec 2020 $
Increase	4,993,000	3,140,000
Decrease	(5,188,000)	(3,209,000)

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

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

Impact of Interest Rate Benchmark Reform Phase 2 (LIBOR cessation)

On 1 January 2022, all LIBOR settings of sterling, euro, Swiss franc and Japanese yen, as well as the one-week and two-month US dollar settings ceased to be used as interest rate benchmark. This had no impact on the bank as none of its sterling, euro or USD exposure as at 1st January was subject to future interest repricing based on these benchmarks.

The remaining US dollar settings will cease on the 1 of July 2023. As at 31 December 2021, the Bank had $116m being repriced on USD LIBOR, of which $58m had a maturity date past 30 June 2023. In addition, the Bank has a number of secured loans totalling $59m that are based on USD LIBOR but subject to a floor, and therefore are not currently repriced on LIBOR. Therefore, the Bank does not consider that it has a material risk from the transition from LIBOR.

The following table contains details of all of the financial instruments that the Bank holds at 31 December 2021 which reference USD LIBOR and have not yet transitioned to SOFR or an alternative interest rate benchmark.

	31 Dec 2021 Assets $
Non-derivative assets exposed to USD LIBOR	
Loans and advances to banks	43,714,833
Loans and advances to customers	72,084,412
	115,799,245

For each customer in the secured loan portfolio referred to above, the Bank will engage at the time of the annual review of their facility to agree an addendum to their facility letters to amend the pricing mechanism to be based on SOFR.

Of the above financial instruments, $57m relate to syndicated loan where the Bank is a participant and discussions are ongoing with the lead arranger in respect of the plans for transition from the US dollar LIBOR.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

f) Liquidity risk

This table shows the liquidity analysis of financial assets and liabilities analysed based on their contractual maturity date. The financial liabilities are shown on an undiscounted basis other than for balances due within 12 months which are shown at their carrying amount as the impact of discounting is not significant.

2021	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Assets				
Cash at bank	531,094,912	–	–	531,094,912
Money market placements	3,427,749	500,725	–	3,928,474
Loans and advances to banks	468,293,606	307,795,338	73,368,916	849,457,860
Loans and advances to customers	624,232,094	190,113,126	240,053,808	1,054,399,028
Financial derivatives	231,152	–	–	231,152
Investment securities	607,500,000	–	2,546,734	610,046,734
Other financial assets	2,679,974	829,237	5,724,061	9,233,272
Total assets	**2,237,459,487**	**499,238,426**	**321,693,519**	**3,058,391,432**

2021	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Total $	Carrying amount $
Liabilities					
Customer deposits	469,373,714	316,137,609	153,242,988	938,754,311	935,798,374
Deposits from banks	890,328,735	851,830,008	–	1,742,158,743	1,742,158,743
Financial derivatives	1,211,916	208,849	–	1,420,765	1,420,765
Lease liabilities	406,074	1,218,223	4,018,642	5,642,939	5,093,724
Other financial liabilities	1,034,819	9,635,678	6,623,950	17,294,447	17,294,448
Total liabilities	**1,362,355,258**	**1,179,030,367**	**163,885,580**	**2,705,271,205**	**2,701,766,054**

Included in cash at bank is an amount of $470,575,807 (2020: 106,431,174) held in a reserve account with the Bank of England, which are held to manage liquidity and meet the Bank's liquidity requirements. Included in Investment Securities is an amount of $607,500,000 (2020: $355,000,000), also held to manage liquidity and meet the Bank's liquidity requirements, and which consists of indirect exposures to US Treasuries through investment in the BlackRock US Treasury Fund.

2020	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Assets				
Cash at bank	160,274,778	–	–	160,274,778
Money market placements	1,178,276	5,332,717	–	6,510,993
Loans and advances to banks	164,952,776	703,289,587	75,446,483	943,688,846
Loans and advances to customers	438,177,166	273,153,174	179,165,819	890,496,159
Financial derivatives	6,062,597	6,440,180	–	12,502,777
Investment securities	355,007,353	–	1,649,819	356,657,172
Other financial assets	464,649	3,641,829	723,531	4,830,009
Total assets	**1,126,117,595**	**991,857,487**	**256,985,652**	**2,374,960,734**
Liabilities				
Customer deposits	331,430,700	316,065,595	229,000,715	876,497,010
Deposits from banks	527,866,150	622,489,715	–	1,150,355,865
Financial derivatives	69,422	206,445	–	275,867
Lease liabilities	214,913	644,737	3,908,496	4,768,146
Other financial liabilities	156,846	13,092,979	4,524,642	17,774,467
Total liabilities	**859,738,031**	**952,499,471**	**237,433,853**	**2,049,671,355**

g) Capital management

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 31 December 2021 was $380,802,724 (2020: $340,221,462). Regulatory capital is determined in accordance with the requirements of the PRA in the UK. Total regulatory capital as at 31 December 2021 including 2021 profit after tax was $377,827,139 (2020: $338,920,471).

Capital adequacy and the use of regulatory capital are monitored regularly by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and the European Community Directives, as implemented by the PRA in the UK, for supervisory purposes. The principal committee at which the Bank's capital is monitored is ALCO. The Bank's Exco receives regular reports regarding the Bank's Tier 1 Capital Ratio.

Capital is actively managed to ensure that the Bank exceeds the minimum. The PRA requires each bank to maintain a ratio of total regulatory capital to risk-weighted assets as set by the PRA.at or above a level determined for each institution.

Currently the Bank's regulatory capital consists only of Tier 1 capital, being the issued share capital and retained earnings of the Bank, less intangible assets, deferred tax assets and unrealised gains on investment securities.

The Bank has calculated its regulatory capital as at 31 December 2021 in accordance with these definitions as laid out in the table below:

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

24. Financial instruments continued

g) Capital management continued

The Bank has calculated its regulatory capital as at 31 December 2020 in accordance with these definitions as laid out in the table below:

Capital resources	2021 $	2020 $
Tier 1 capital		
Shareholders' funds	380,802,724	340,221,462
Less:		
Intangible assets	(2,677,923)	(2,376,663)
Other adjustments	(297,662)	1,075,672
Total Tier 1 capital	377,827,139	338,920,471
Total regulatory capital	**377,827,139**	**338,920,471**

25. Share capital

	Ordinary shares	
	No. of shares	Amount $
As at 1 January 2021	164,587,500	207,380,250
As at 31 December 2021	164,587,500	207,380,250

	Ordinary shares	
	No. of shares	Amount $
As at 1 January 2020	164,587,500	207,380,250
As at 31 December 2020	164,587,500	207,380,250

The Bank changed its functional currency as noted in 2019. This involved a redenomination of its share capital from Sterling to US Dollars on 2 January 2019. The Bank's share capital of 138,000,000 with nominal share value of £1 was redenominated to a nominal share value of $1.26.

In 2021, the Bank did not issue any further shares. As at 31 December 2021 the issued share capital comprised 164,587,500 ordinary shares (2020: 164,587,500) with a par value of $1.26 (2020: $1.26). All issued shares are fully paid.

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

26. Related party transactions

Key management personnel are considered to be the Directors. Disclosures regarding Directors' emoluments and other transactions are given in note 9.

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

	2021 $	2020 $
Fee and commission income		
Parent bank	4,884,844	3,114,788
Fellow subsidiaries	229,795	84,027
	5,114,639	3,198,815

	2021 $	2020 $
Interest income		
Parent bank	8,272,582	8,875,835
Fellow subsidiaries	8,363	31,614
	8,280,945	8,907,449

	2021 $	2020 $
Interest expense		
Parent bank	4,449,051	7,372,212
Fellow subsidiaries	54,906	173,603
	4,503,957	7,545,815

	2021 $	2020 $
Assets		
Amounts due from parent bank	182,858,560	205,605,473
Amounts due from fellow subsidiaries	–	24,733,839
	182,858,560	230,339,312

	2021 $	2020 $
Liabilities		
Amounts due to parent bank	904,205,115	534,732,634
Amounts due to fellow subsidiaries	29,757,718	26,765,479
	933,962,833	561,498,113

The Bank has entered into a Deed of Set-Off with Access Bank Plc that allows the Bank to offset amounts due from the parent bank, against amounts due to the parent bank, which complies with the Regulatory requirements.

Deposits by Directors of the parent bank as at 31 December 2021 were $809,413 (2020: $378,864) with the largest deposit as at year-end being $432,571 (2020: $140,571).

There were five mortgages' facilities approved and advanced, to two Directors of the parent bank for $2,760,345 (2020: $3,284,426). As at 31 December 2021, the outstanding amount for the mortgages inclusive of accrued interest was $2,772,980 (2020: $2,858,895) in respect of Directors of the parent bank.

Four portfolio secured loans were approved and advanced, to a Director of the Bank who is also a Director of the parent company for $8,600,000 (2020: $1,000,000). As at 31 December 2021, the outstanding amount inclusive of accrued interest for the loans was $8,654,522 (2020: $1,004,667) in respect of the Director of the parent bank.

Notes to the Financial Statements *continued*

For the year ended 31 December 2021

26. Related party transactions continued

Two portfolio secured loans were approved and advanced in 2021 to two Directors of the parent company for $1,125,000. As at 31 December 2021, the outstanding amount inclusive of accrued interest for the loans was $1,136,927 in respect of the Directors of the parent bank.

All transactions with Directors are at an arm's length basis.

There were no other related party transactions or balances requiring disclosure.

27. Fair values of financial instruments

Cash and money market placements

These consist of cash held in hand, balances held in nostro accounts with other banks and short-term placement with banks. The carrying amount of the cash balances and placements are deemed to be a reasonable representation and reasonable approximation of fair value respectively.

Loans and advances to banks

These consist of loans granted to financial institutions. The carrying amount is deemed a reasonable approximation of their fair value.

Loans and advances to customers

These consist of loans granted to non-bank customers. The carrying amount is deemed a reasonable approximation of their fair value.

Financial assets and liabilities – derivatives

These consist mainly of forward foreign exchange contracts. The fair value is determined using the market rate as at the balance sheet date.

Investment securities

These comprise of investment securities at fair value measured through other comprehensive income, and fair value through profit and loss. The basis of estimating the fair value of these assets is by ascertaining the market value as at balance sheet date.

Deposits from customers

These comprise mainly of deposits taken from non-bank customers and the carrying amount of these deposits is a reasonable approximation of market value.

Deposits from other banks

These comprise mainly of deposits taken from financial institutions and the carrying amount of these deposits is a reasonable approximation of market value.

The book value of all assets and liabilities approximate the fair value in 2021 and 2020.

28. Subsidiary undertakings

The Bank has established three wholly-owned subsidiaries which did not trade during 2021. The Bank has taken advantage of the exemption in the Companies Act from producing consolidated financial statements on the grounds that the inclusion of the subsidiaries is not material for the purpose of giving a true and fair view.

29. Ultimate parent company and controlling party

The Bank's immediate and ultimate parent and controlling party is Access Bank Plc, a bank incorporated in Nigeria. Group financial statements into which the Bank is consolidated are available from the Head Office, at 14/15, Prince Alaba Abiodun, Oniru Road, Victoria Island, Lagos, Nigeria.

The Group financial statements are available on the Access Bank Plc website at https://www.accessbankplc.com/.

.

30. Events subsequent to the balance sheet date

Issue of share capital

The Bank issued additional share capital of $30,000,000 on the 4 of Jan 2022 to its parent, Access Bank Plc. Immediately following this issuance, the total share capital of the Bank increased to $237,380,000 comprising 188,397,024 shares with a nominal share value of $1.26 each.

Advisors

Deloitte
Hill House
1 Little New Street
London
EC4A 3TR

Internal Auditors
Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

External Auditors
PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Retained Lawyers
CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Employment Lawyers
Squire Sanders
7 Devonshire Square
London
EC2M 4YH

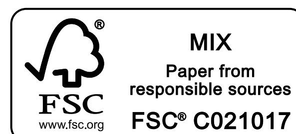
Offices

The Access Bank UK Limited
4 Royal Court
Gadbrook Way
Gadbrook Park
Northwich
Cheshire
CW9 7UT

The Access Bank UK Limited
1 Cornhill
London
EC3V 3ND

The Access Bank UK Limited
Representative Office
No. 7, 6th Street
Osborne Foreshore Estate
Ikoyi
Lagos
Nigeria

The Access Bank UK Limited
– Dubai Branch
Level 15, Gate Building
Dubai International Financial Centre
Dubai, 121208,
United Arab Emirates



This report has been printed on Claro Silk, an FSC® certified stock using
vegetable based inks by The Gemini Print Group www.gemini-print.co.uk

Produced by PGH Associates Ltd

The Access Bank UK Limited
4 Royal Court
Gadbrook Way
Gadbrook Park
Northwich
Cheshire
CW9 7UT

www.theaccessbankukltd.co.uk

The Access Bank UK Limited is registered in England & Wales, Company Number 06365062. Registered Office: 4 Royal Court, Gadbrook Way, Gadbrook Park, Northwich, Cheshire, CW9 7UT. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FCA & PRA Registration Number 478415. The Access Bank UK Limited – DIFC Branch is regulated by the DFSA.