Africa's International Gateway

Report and Financial Statements 2024

the access bank uk

Contents

These are the Bank's Report and Financial Statements 2024 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 2024.

Dr Herbert Wigwe – A Visionary Leader

Dr Herbert Wigwe, Group Chief Executive Officer of Access Holdings Plc and Chairman of The Access Bank UK Limited, died alongside his wife and son on Friday, 9 February, 2024, in a helicopter accident, in the United States of America.

It was with profound sadness that we acknowledged his passing in our Strategic Report last year. His visionary leadership and dedication have left an indelible mark on the banking industry and beyond. On 9 February 2025 representatives from the Bank attended memorial events in Nigeria recognising the one-year anniversary of Herbert and his family's tragic passing.

Herbert's legacy is one of transformation and innovation. Under his stewardship, Access Bank Plc became one of Africa's leading financial institutions, known for its commitment to excellence, integrity and social responsibility. Herbert's strategic vision propelled Access Bank Plc to new heights, expanding its reach both locally and internationally while championing financial inclusion and sustainability initiatives. His leadership not only shaped the banking landscape but also touched countless lives through community development projects and empowerment programmes. Herbert's legacy will endure as a beacon of inspiration for future generations in the banking industry and beyond.

Business Review

Principal activities

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 2024 on a number of measures, including Total Revenues and Total Assets.

The Bank was authorised by the Financial Services Authority (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 and 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.

Since its establishment the Bank has been granted additional permissions by a number of international regulators to expand its operating activities in line with its business plan as follows:

- 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.
- During 2023, the Bank received final approval from the Autorité de Contrôle Prudentiel et de Resolution (ACPR), the French banking regulator, to open a branch in Paris.
- In December 2023, the Bank received final approval from the Hong Kong Monetary Authority (HKMA) to open a restricted licence branch in Hong Kong.
- In December 2024, the Bank received approval from the European Central Bank (ECB) and Malta Financial Services Authority (MFSA) to establish a banking subsidiary in Malta.

Performance of the Bank in 2024

The financial statements for the year ended 31 December 2024 are shown on pages 20 to 63. During the year the Bank grew operating income before provision for credit impairment by 18% from $207.6m to $244.3m. The Bank continued to invest in its organic growth plan in 2024 which is focused on the establishment of a number of international offices to further strengthen its coverage model across the continent of Africa which resulted in costs increasing by 26% in 2024 to $60.1m from $47.8m in 2023. After the Bank recorded impairment provisions of $10.8m during the year, profit before tax increased by 14.5% from $151.5m to $173.4m. The statement of comprehensive income is set out on page 20.

In 2024, the Nigerian economy continued to be influenced by the impact of the key actions implemented as part of the economic reform programme by President Bola Tinubu's government, who was elected in 2023. These included the abolition of long-standing fuel subsidies and the loosening of the foreign exchange currency controls which had potentially overvalued the Naira. As at 31 December 2024 the Naira was quoted as being NGN 1,542 to the US dollar in respect of the Importers and Exporters FX discount window, compared to NGN 1,043 as at 31 December 2023.

The Nigerian economy, like most nations across the world, faced turbulence in 2020 due to COVID-19 with the economy contracting by 1.9% in 2020. GDP has since grown annually by 3.4% in 2021, 3.3% in 2022 and 2.7% in 2023. The latest forecasts published have projected GDP to have grown by 3.4% in 2024, which indicate a strengthening economy with significant contributions from both the services and oil sectors. Nigeria's economy grew 3.84% year-on-year in Q4 2024, the country's fastest recorded growth in three years, mainly driven by the services sector, which grew by 5.37% year-on-year and contributed over half of Nigeria's GDP. The factors noted by Fitch are expected to continue in 2025, with recent forecasts expecting growth to be 3.1% in 2025. The non-oil economy increased by 3.96% in the fourth quarter from 3.07% a year earlier, largely driven by growth in financial institutions, telecommunications, trade and agriculture. The international price of oil continues to have a significant impact on the Nigerian economy, and in particular on its foreign currency reserves. Oil production decreased slightly to 1.54 million barrels a day on average, from 1.55 million barrels a day in 2023. The price of Brent crude oil however had dropped to $73.08 bbl. by the end of December 2024 with the average for 2024 being $79.93 bbl. having previously recorded an average of $82.49 bbl. and a low point of $74.98 bbl. in 2023. Subsequent to year end, the price has further reduced and as at 4 March 2025 the price was circa $70.89 bbl. With respect to Bonny Light, the price dropped from $78.19 bbl. at the start of the year to $75.48 bbl. as at 31 December 2024, and has weakened in 2025, and as at 4 March 2025 the price was circa $73 bbl.

The Bank has continued to support its customer base during 2024 reflecting our relationship based strategy. Net fee and commission increased by 3.5% from $28.8m to $29.8m. The economic environment in Nigeria has depressed volumes in the Bank's trade finance fee-earning product set although the opportunities are expected to improve once the economy has stabilised to the new foreign exchange rate position as Nigeria and the rest of the continent of Africa remain import intensive economies. Net interest income showed an increase of 20.0% from $173.7m to $208.3m reflecting both the increase in loans to customers during the year, and the increase in market interest rates. 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 previous years' Strategic Reports, we highlighted the significant impact that the COVID-19 pandemic 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 a 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, $32.5m in 2021, $25.6m in 2022, $7.7m in 2023 and $3.7m in 2024. The majority of the underlying exposures to which these provisions related to were backed by trade credit insurance policies.

Strategic Report

As noted in previous years' Strategic Reports, during 2021 the Bank ceased providing new commodity-related loans under this structured trade finance portfolio, and we have continued to pursue recoveries in respect of the outstanding loans in this portfolio, monitoring our strategy of agreed repayment plans from the counterparties to the Bills for Collection, together with progressing claims in respect of the underlying insurance policies. Arrangements had previously 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 did not impact on the underlying insurance claim. Collections under these agreements has continued throughout 2024. 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, however these claims have not progressed as quickly as the Bank had anticipated with this in part attributed to the volume of claims that insurers are facing following the pandemic. The Bank has also started litigation proceedings in relation to some of these claims.

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 2024 of $3.7m in respect of this portfolio. An unbiased weighted probability of a payment being received under the remaining polices is taken into account when modelling the impairment provision that is recorded against the portfolio. At the end of the year the Bank has considered whether the full balance remaining under the insurance policies will be recovered, particularly if the claims are subject to an arbitrated settlement.

Whilst the Bank continues to keep a firm control on operating costs, the Bank has allowed for an overall increase in costs during the year from $47.8m to $60.1m to ensure we have adequate resources to meet customer requirements in each location the Bank operates from. During the year, the Bank has continued to invest in additional employees in our international locations in Paris, Hong Kong and Malta, with the average headcount subsequently increasing from 192 in 2023 to 239 in 2024.

The Bank saw an increase in total assets during 2024, with growth of 38.5% from $4,423.3m as at 31 December 2023 to $6,125.4m as at 31 December 2024. Included in total assets is a $4.9m increase in intangible work in progress. In 2024 the Board approved a significant upgrade of the Bank's IT infrastructure and hosting environment that operates its core banking platform. This programme of work includes the upgrade of server hardware and power supplies, along with an upgrade to relevant software licences, to deliver additional operational resiliency to the Bank's operations given its ongoing international expansion. The programme commenced in the final quarter of 2024 and is anticipated to be commissioned in the third quarter of 2025.

Deposits from banks grew from $2,255.7m as at 31 December 2023 to $3,720.2m as at 31 December 2024. Deposits from customers also increased from $1,451.6m as at 31 December 2023 to $1,549.9m over the 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	**2024**	2023
Pre-tax return on average shareholders' equity	**23.64%**	25.83%
Cost to income ratio	**24.61%**	23.05%
Loans to deposit	**65.36%**	78.21%
Non-interest income/total operating income	**14.74%**	16.31%
Liquidity Coverage Ratio	**176.65%**	275.47%
Tier 1 Capital Ratio	**20.18%**	22.38%

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 cost to income ratio is measured pre-impairment. As noted above, the Bank has sought to maintain an appropriate control of costs whilst also investing in its resources to ensure it has adequate capacity for international expansion, and as a result the cost income ratio has increased from 23.05% to 24.61% in 2024.

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

With respect to the Loan to Deposit Ratio, this has decreased from 78.21% to 65.36%, which is primarily a result of an increase in short term deposits in Q4 2024.

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 2024 was 100%, and the Bank maintained its ratio above this limit throughout the year. As at 31 December 2024, the Bank's LCR was 176.65%, well above the regulatory limit.

The Tier 1 Capital Ratio is calculated by dividing the Bank's shareholders' funds, adjusted for various regulatory-mandated adjustments, by its Risk Weighted Assets. The Ratio as at 31 December 2024 was 20.18%.

Regulatory Capital

The Bank manages its capital to ensure that it fully meets its regulatory requirements, and that it will be able to continue as a going concern. The Bank complied with its regulatory requirements throughout the year and as at 31 December 2024 the Bank's equity shareholders' funds stood at $784.9m (2023: $682.3m).

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 27).

The Bank publishes its set of disclosures in accordance with Disclosure (CRR) part of the PRA Rulebook, which incorporates the Basel III capital measurement requirements, on its website: www.theaccessbankukltd.co.uk/about-us/our-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.

An analysis of the liquidity risks faced by the Bank, and the liquidity position as at 31 December 2024, is set out in note 27 of the financial statements. The Bank undertakes regular 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 27 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 $6,125m, only $425m (7%) had a contractual maturity date of more than one year. This latter figure is comprised 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 $1,971m, held indirectly through investment in the BlackRock ICS US Treasury Fund and JP Morgan Treasury CNAV Institutional Fund, that constituted eligible liquidity buffer securities. Also included were $319m of directly held US Treasury bills. Included in cash and cash equivalents were reserves account deposits with the Bank of England of $264m, 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 over recent years. 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 27 of the financial statements.

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 2024, the total of these short-term trade-related loans was $3,172m. Secondly, the Bank has asset management loans supported by client securities investment portfolios, which are monitored with strict call and close limits aligned to the underlying investment portfolio value. As at 31 December 2024, these loans totalled $185m. Finally, the Bank has a portfolio of property-related mortgage loans which are longer-term in nature, and as at 31 December 2024 these totalled $129m.

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 27(f) to the financial statements, over 93% 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 setting the Bank's current five-year strategic plan, which runs from 2023 to 2027, the Bank has confirmed that it has no intention to actively pursue business opportunities that arise from climate change.

Risk Management

The Bank has embedded the identification, assessment and monitoring of the financial risks from climate change into the Bank's risk management framework. An annual qualitative assessment is undertaken of the physical, transition and liability risks arising from climate change, looking at the Bank's business activities and assessing the likelihood and impact of the key financial risks (physical, transition and liability) from climate change as defined by the PRA. The assessment utilises 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 is also completed on an annual basis 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 following the initial mapping against the taxonomy as a cross-cutting risk, in 2022, the risk was moved to a standalone assessment. This enables the risks to be captured within the Bank's embedded risk management framework which is 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.

The Bank has engaged with subject matter experts from Deloitte to assist with the development of a scenario analysis model. Deloitte assisted the Bank in developing a model based on the UNEP FI methodology, widely considered to be the industry standard methodology. The UNEP FI is the United Nations Environment Programme Finance Initiative established with the aim of providing a framework of principles (Principles for Responsible Banking) for the finance sector, to contribute to and support the agenda of the Paris Agreement on Climate Change. The UNEP FI have outlined an industry-leading framework for modelling the financial impact of climate risks on banks' positions pointing out the special role of carbon-related costs as a key risk driver.

In order to build the scenario model, a data collection exercise was performed using relevant financial and carbon price data from internal and external sources, including company financials, internal credit ratings from published financial reports, carbon intensities for Scope 1, 2 and 3 emissions from EXIOBASE and NGFS forecast of carbon prices (by country/sector).

Following the completion of the data collection exercise, the Bank undertook a scenario selection exercise, leveraging the six scenarios produced by the NGFS. These scenarios are generally regarded as industry best-practice.

Whilst the analysis concluded that certain of the Bank's corporate customers could be particularly vulnerable to higher carbon prices, the initial overall conclusion from the stress testing was that the overall risk to the Bank from Climate Change was not material, given the short-term nature of the Bank's business model and the ability to pivot away from vulnerable sectors if necessary.

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 guided its first and second plans. At its November 2022 meeting the Board approved the Bank's fourth five-year plan, which as for previous plans is shaped by the Bank continuing to make a positive contribution to the delivery of the Access Group's strategy and objectives. The current five-year plan was modified to reflect the additional capital invested in the Bank during 2023 and this was approved by the Board at its September 2023 meeting. This fourth five-year plan reflects and is in line with Access Holding's five-year plan which embodies the vision "To be the world's most respected African Bank".

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 2024 for Best Africa Trade Finance Bank for the ninth consecutive time together with the International Finance Award for Best African Trade Finance Bank for the seventh 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. The latest five-year plan also sets out the intention to grow the international footprint of the Bank.

In last year's strategic report it was noted that the Bank had received approval from the Autorité de Contrôle Prudentiel et de Resolution (ACPR), which is the banking regulator in France, to open a branch in Paris. The Branch has continued to steadily grow its pipeline of business which has the objective of furthering trade activity between France and Africa. In December 2023 the Bank received final approval from the Hong Kong Monetary Authority (HKMA) to open a restricted licence branch in Hong Kong. The Hong Kong market holds vast strategic potential for boosting cross-continental trade given its status as a global financial hub which serves as a pivotal gateway connecting Asia with the rest of the world. It is expected the Hong Kong Branch will commence operations in the second quarter of 2025.

In December 2024, the Bank received final approval from the Malta Financial Services Authority (MFSA) and the European Central Bank (ECB) to open a fully licenced subsidiary bank in Malta. The Access Bank UK Limited invested €20m of share capital into The Access Bank Malta Limited which is wholly owned by The Access Bank UK Limited. The Access Bank Malta Limited is uniquely positioned as a bridge between Europe and Africa which allows The Access Bank Malta Limited to engage more closely with customers in Europe and deliver tailored financial solutions that drive growth and connectivity across both continents. The Access Bank Malta Limited will focus on international trade finance, employing approximately 30 people in its initial phase, with plans for controlled expansion over time.

In November 2024, the Bank announced it had signed a share purchase agreement to acquire a majority shareholding in AfrAsia Bank Limited, the fourth-largest bank in Mauritius. This acquisition marks a significant step in the Bank's ongoing strategy to expand its presence in key African markets, including southern Africa, and strengthen its global footprint and underscores the Bank's commitment to furthering its mission to support economic growth, trade, and financial inclusion across Africa and beyond. Mauritius' strong regulatory framework and robust financial infrastructure provide an ideal environment for the Bank to expand its service offerings in wealth management, trade finance, and other high-growth sectors. The acquisition is subject to approval from the Central Bank of Mauritius after which it is anticipated the transaction will be complete.

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. Nigeria moved out of recession in Q4 of 2020, and with oil prices continuing to strengthen, Nigerian GDP grew by 3.6% in 2021, 3.3% in 2022, 2.7% in 2023, and is estimated to have grown by 3.4% in 2024. The Bank will therefore continue to have a key role to play in facilitating the flow of trade to and from Nigeria.

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.

As noted above, growth accelerated in Nigeria during 2024, with higher levels of oil production than the long-term average and stronger non-oil sector has significantly contributed to economic growth. This is expected to continue in 2025, with the latest Fitch forecasts showing that Nigeria will continue to grow in 2025. Given these projections, the Directors are confident that the outlook for the Bank is a positive one.

President Trump began his second term in office in January 2025 and has commenced the implementation of his economic, trade and foreign policy objectives. At the time of approving this strategic report the global impact of these policies remains uncertain and the Bank will be continuing to monitor for relevant impacts in its operational markets.

Finally, as noted in last year's report, 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 had no direct exposure to Russia, a limited number of customers were directly impacted in the initial years of the invasion, and as noted last year, the Bank recorded an impairment provision in respect of these exposures. It is now over three years since the invasion took place and the Bank is content that there are no other exposures, either direct or indirect, to Russia or Ukraine, and therefore no further provisions will be required as a result of the ongoing situation.

Directors' Section 172 (1) 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 (1) 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, a 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 section 172 (1) 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 again in 2024 when the Bank was re-confirmed as 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 is 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 and suppliers:

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" and has an embedded framework to ensure compliance with its "Consumer Duty" obligations.

As part of the Bank's relationships with third-party suppliers, senior management meet regularly with key strategic partners and suppliers where performance against key indicators are discussed, as are operational issues and process improvements. Periodic updates on key relationships are also made to the Bank's Executive Committee and to the Board.

Our suppliers play an integral role in providing us with essential resources, expertise, and services that enable us to operate our business efficiently. We strive to maintain mutually beneficial relationships with our suppliers on both global and local levels. Vendor risk assessments are conducted on an annual basis and presented to the Board Risk and Audit Committee for oversight.

Regulators:

The Bank is regulated by the Prudential Regulation Authority for prudential matters and by the Financial Conduct Authority for conduct of business matters. Members of the Executive Committee regularly brief the regulators on key issues and engage with them on an open and transparent basis. The Board are kept appraised of key regulatory developments and interactions with regulators at each Board meeting.

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 of 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.

The Community and Environment:

The Directors are committed to the Bank reducing its carbon footprint and embedding environmentally sustainable business practices in its corporate offices and throughout the business. This is being achieved through the Bank maintaining a lean and efficient physical footprint and our hybrid-working structure contributing to a reduction on how often our employees travel into the office.

The Bank's approach to community engagement has seen it actively support a number of causes, both in the UK, and in sub-Saharan Africa. Initiatives include support of annual events such as the City of London Lord Mayor's Appeal 'City Giving Day', which celebrates the value of the City to society and shows how businesses can make a difference. As part of its continued support of UNICEF (United Nations Children's Fund), the Bank hosts an annual event raising financial support that has enabled the building and equipping of over 100 classroom blocks in less developed areas of Nigeria. The Bank's ESG policy is available on its website.

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, two of the Non-Executive Directors 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
Chief Executive Officer/Managing Director
3 April 2025

Directors' Report

The Directors of The Access Bank UK Limited have pleasure in presenting their Directors' Report and audited financial statements of the Bank and Group for the year ended 31 December 2024. The Access Bank UK Limited has the following international branches:

- The Access Bank UK Limited Paris Branch
- The Access Bank UK Limited Hong Kong Branch
- The Access Bank UK Limited DIFC Branch

Activities in the field of research and development

Details of the Bank's activities in the field of research and development, including details of branches outside the UK, are detailed in the Bank's Strategic Report.

Dividend

$26,458,740 of dividends were paid during the year (2023: $19,793,000).

Political contributions and charitable donations

During the year the Bank made charitable donations of $455 (2023: $9,975).

No political donations were made during the year (2023: $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 – passed away 9 February 2024)
D. Charters	(Chairman – appointed as a Non-Executive Director on 15 March 2019, and Chairman on 11 March 2024)
R. Ogbonna	(Non-Executive Director)
G. Jobome	(Non-Executive Director)
H. McLaughlin	(Senior Independent Non-Executive Director)
S. Quinn	(Independent Non-Executive Director)
J. Simmonds	(Chief Executive Officer/Managing Director)
D. Plant	(Finance Director)

Directors' indemnities

Both the Bank and Group have 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 and Group's business model and profitability, taking into account the Bank and Group's current and projected performance, and the Bank and Group's capital and liquidity position. The Bank and Group'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 and Group's profitability and capital ratios.

As at 31 December 2024, both the Bank and Group had a Tier 1 capital 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 2024, the Bank and Group both maintained liquidity buffer assets significantly in excess of the minimum regulatory requirements, and the Directors intend to ensure that the Bank and Group maintain a strong liquidity position to enable it to meet its obligations as they fall due.

The Directors believe that both the Bank and Group are well placed to continue to manage their 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 and Group 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 and Group's ability to continue as a going concern. The Directors confirm that there are currently no plans to terminate or significantly curtail the Bank and Group'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 and Group. The Directors confirm there have been no significant events impacting the Bank or Group since year end.

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 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. The methodology adopted in calculating these emissions is based on energy consumption data provided to the Bank from its suppliers and converted to emissions based on conversion factors published by the UK Government's Department for Business, Energy & Industrial Strategy.

GHG emissions and energy usage data

	2024	2023
Energy consumption used to calculate emissions (kWh)		
Gas	71,786	63,199
Electricity	150,908	139,456
Total Energy consumption	**222,694**	**202,655**
Scope 1		
Emissions from combustion of gas tCO_2e	13.13	11.56
Scope 2		
Emissions from purchased electricity tCO_2e	31.25	28.88
Total gross tCO_2e based on the above	**44.38**	**40.44**
Normalised – tCO_2e per £m of income	**0.23**	**0.25**

The Bank continues to explore energy efficiency measures regarding its gas and electricity consumption. The Bank is currently considering options such as the potential installation of programmable thermostats alongside the upgrade of the building cooling system to the latest energy-efficient model.

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 they ought to have taken as a Director to make themselves aware of any relevant audit information, and to establish that the Bank's auditors are aware of that information.

Independent Auditor

The auditor, MHA, 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 Board 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
Chief Executive Officer/Managing Director

3 April 2025

Statement of Directors' Responsibilities
in respect of the financial statements for Bank and Group

The Directors are responsible for preparing the Directors' report 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 Bank and Group and of the profit or loss of the Bank and Group 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 Bank and Group will continue in business.

The Directors are responsible for safeguarding the assets of the Bank and Group 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 Bank and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and Group and enable them to ensure that the financial statements are in accordance with UK-adopted International Accounting Standards and the Companies Act 2006 applicable to companies reporting under IFRS.

The Directors are responsible for the maintenance and integrity of the Bank and Group'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 Bank and Group'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 Bank and Group's auditors are aware of that information.

Independent Auditors' Report
to the members of The Access Bank UK Limited

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of The Access Bank UK Limited. For the purposes of the table on pages 14 to 16 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of The Access Bank UK Limited and its subsidiaries (the "Group"). The "Parent Company" or "Bank" is defined as The Access Bank UK Limited, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion

We have audited the financial statements of The Access Bank UK Limited for the year ended 31 December 2024.

The financial statements that we have audited comprise:
- Bank and Group Statement of comprehensive income
- Bank and Group Statement of financial position
- Bank and Group Statement of changes in equity
- Bank and Group Statement of cash flows
- Notes 1 to 32 to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Bank and Group financial statements is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:
- give a true and fair view of the state of the Group's and of the Bank's affairs as at 31 December 2024 and of the Group's and Bank's profit 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.

Our opinion is consistent with our reporting to the Board Risk and Audit Committee (the "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 those standards are further described in the Auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The period ended 31 December 2024 is the first financial period that the Group has presented consolidated financial statements. The Group comparatives for the period ended 31 December 2023 have not been subject to audit procedures.

Conclusions relating to going concern

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.

Our evaluation of the Directors' assessment of the Group's and the Bank's ability to continue to adopt the going concern basis of accounting included:
- Using our knowledge of the strategic objectives of the Group and Bank and the general economic environment to identify inherent risks in the business model and how such risks might affect the financial resources or ability to continue operations as a going concern.
- Evaluating management's going concern assessment including the Group's and Bank's capital and liquidity position, including review of internal capital adequacy and stress testing models.
- Reviewing current and forecast performance, including assessing of the reasonableness of the key assumptions applied.
- Inspecting correspondence with the Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) for matters that may impact the going concern assessment.
- 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 Group's and Bank'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.

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

Overview of our audit approach

Scope

Our audit was scoped by obtaining an understanding of the Group and the Bank, their operating environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We identified significant components based on their significance to the Group balance sheet and operations. We performed full scope audit work on the Bank.

Independent Auditors' Report
to the members of The Access Bank UK Limited

There were no other entities deemed to be significant components, and we did not identify in the context of individual primary statements significant account balances that required individual testing from those entities deemed not to be significant components.

Materiality

	2024	2023	
Group	**$7.8m**	Not applicable	1% of Group net assets
Parent Company	**$7.8m**	$6.8m	1% (2023: 1%) of net assets

Key audit matters

Recurring	• Expected credit loss provisions – Impairment of loans and advances

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified. These matters included those matters 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 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.

Expected credit loss (ECL) provisions – Impairment of loans and advances

Key audit matter description

At 31 December 2024 the Group and Bank reported the following:

	2024		2023	
	Gross Exposure $'m	ECL $'m	Gross Exposure $'m	ECL $'m
Loans and advances to customers and banks (see notes 17 and 18)	**3,478**	**(34)**	2,926	(27)

The determination of ECL involves significant management judgements and complex estimates which can have a material impact on the financial statements of the Bank. We therefore identified this as a significant risk of material misstatement and a key audit matter. The ECL provision is made up of allowance from trade credit insurance portfolio, individually assessed exposures and a model determined allowance on loans and advances.

The key risk areas of judgment are:

1. ECL provision on trade credit insurance portfolio

The exposures relate to the financing of trading of physical commodities with counterparties based in the Middle East and Far East. As a condition of the facility letters with the customers, the customers obtained credit insurance from an approved insurance provider to protect against default by buyers of the commodities. The counterparties defaulted in 2020, and the Bank is seeking to recover the claims either through the repayment plans with the buyer or processing of the claims through the underlying insurance policies.

The most significant judgement in determining the ECL for the portfolio is in respect of the amount and timing of assumed insurance recoveries. There is a range of potential outcomes for each recovery and therefore subject to significant degree of estimation uncertainty.

2. Individually assessed exposures

Significant management judgement is required to determine the expected credit losses for Stage 3 individually assessed exposures.

3. ECL provision on loans and advances to Banks

Staging – Qualitative and quantitative criteria applied to effectively identify significant increase in credit risk and determination of a default.

Assumptions in relation to the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models for computing ECL, including completeness and accuracy of the data used in these models.

Post model adjustments to take into account macroeconomic factors and potential model or data limitations that have an impact on the calculation of the ECL.

How the scope of our audit responded to the key audit matter

Our procedures included but were not limited to:

Evaluation of the design, implementation and testing of internal controls around the ECL model

- We evaluated the design and implementation of key controls across the processes relevant to ECL, including the judgments and estimates used by management. Where we planned to rely on them, we tested their operating effectiveness and concluded that we could place reliance on the controls for the purposes of our audit. The scope of internal controls testing relevant for ECL included credit underwriting, monitoring, collections, and provisioning.
- We tested the process in place to allocate loans to the respective risk categories ("staging") and the application of the significant increase in credit risk (SICR) criteria.
- We reviewed the appropriateness of the Bank's impairment policy against the requirements of IFRS 9. We also assessed the appropriateness of the Significant Increase in the Credit Risk (SICR) criteria determined by management in relation to loans and advances to customers.

Test of details – Trade Credit Insurance Portfolio

- We obtained, reviewed and critically assessed management's methodology applied in the impairment model, including challenging management's assessment of the likelihood of insurance recoveries.
- We tested the underlying model prepared by the management by checking mathematical accuracy of the model and the consistency of application of the assumptions against the evidence obtained.
- We engaged an independent legal and commercial insurance expert to assess management's assessment of the prospects of recovery of each claim and the likely timing of recovery.
- We reviewed correspondence between the Bank, its legal counsel, management experts, and the insurers relating to status of each underlying insurance claim.
- We verified the existence of the insurance arrangements by obtaining and reviewing the underlying insurance policy.
- We performed procedures to assess the competence, independence and objectivity of management's legal and commercial insurance expert used to inform on the judgements made in respect of determination of the ECL.
- We reviewed the minutes of meetings of Board of Directors, Board Risk and Audit Committee (BRAC) and Board Credit Committee (BCC).
- We assessed the disclosures in the financial statements.

Test of details – Individually assessed exposures

- We obtained and reviewed management's accounting paper documenting the assessment of the Stage 3 exposures, key assumptions and judgements made in arriving at the provision. We challenged management on the basis and timing of recovery.
- For a sample of individually assessed Stage 3 exposures, we reviewed the detailed methodology for identifying and calculating individual impairment provision. We performed a recalculation of the present value of future cash flows for each facility and testing mathematical accuracy of the calculation.
- We evaluated the adequacy of the rationale and analysis for significant assumptions used within the Stage 3 loans ECL.

Test of details – Loans and Advances to Customers and Banks

- We evaluated the data quality by agreeing data points used in the ECL calculation to relevant source systems.
- For a sample of exposures, we tested the appropriateness of the staging of the exposure by testing the correct application of SICR criteria. Our work included verifying the payment history of the exposure to ensure that the exposure had been correctly classified as either Stage 1, 2 or 3.
- We assessed the appropriateness of the timing of credit file reviews.
- We tested the process of allocation of customer loan repayments and identification of missed payments including testing on a sample basis that receipts are allocated to the correct loan accounts and missed payments are identified on a timely basis and appropriately reported.
- We confirmed that the output of the ECL model, specifically any ECL charge, or reversal was correctly reflected in the general ledger.

Use of modelling and credit experts – Loans and Advances

- We engaged with and instructed modelling and credit risk experts to test the assumptions, judgements, inputs and formulae used in relation to models used for computing ECL provision. This included evaluation and challenge of economic scenarios considered by management and comparing these to other scenarios from a variety of external sources.
- We performed sensitivity analysis in relation to key management assumptions and judgements to assess the impact of these on the ECL provisions as at year end.
- We tested the appropriateness of the staging of exposures including the determination of the PD, EAD and LGD considered by management in the calculation of ECL.
- We tested post model adjustments and overlays. This included assessing the completeness and appropriateness of these adjustments.
- We performed a stand back assessment of the ECL allowance and coverage at an overall level and by stage to determine if provision levels are reasonable by considering the overall credit quality of the Bank's portfolio, risk profile, the impact of the current economic conditions and geopolitical factors and climate change.
- We performed peer benchmarking where available to assess overall staging and ECL allowance coverage levels.

Disclosures

- We assessed the appropriateness of the disclosures in the financial statements for the year ended 31 December 2024.
- We confirmed that the output of the model, specifically any ECL charge, or reversal was correctly reflected in the general ledger and ultimately in the financial statements.
- We tested the data flows used to populate the disclosures and assess the adequacy of the disclosures for compliance with the accounting standards.

Key observations communicated to the Group's Audit Committee

Based on the audit procedures performed, nothing has come to our attention that causes us to believe that any material misstatement is present in respect of the ECL provision including the measurement, and disclosure of loans and advances in accordance with IFRS 9.

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Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	$7.8m (2023: $6.8m)
Basis of determining overall materiality	We determined materiality based on 1% of the Group's net assets (2023: based on 1% of the Bank's net assets). This was deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements with which the users of the financial statements are principally concerned. We have considered the primary users of the financial statements to be the ultimate Parent Company, customers of the Bank, and the UK regulators.
Performance materiality	$5.4m (2023: $4.1m)
Basis of determining overall performance materiality	We set performance materiality based on 70% (2023: 60%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
Error reporting threshold	
	We agreed to report any corrected or uncorrected adjustments exceeding $390,000 (2023: $340,000) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation/distribution and effectiveness of Group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, we identified one reporting component within the Group. However, no additional reporting components were identified in the UK or mainland Europe that represented principal business units within the Group.

Full scope audits

Whilst one reporting component was identified, a full-scope audit was not performed for this component. The scope of work was determined based on the size or risk characteristics.

The control environment

We evaluated the design and implementation of those internal controls of the Company which are relevant to our audit, such as those relating to the financial reporting cycle, lending and customer deposit transactions. We deployed our internal IT audit specialists to get an understanding of the general IT environment to be operating effectively.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment to understand their process for identifying and assessing those risks. Our climate risk specialists have agreed with managements' assessment that climate-related risks are not material to the financial statements for the year ended 31 December 2024.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

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

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group including the regulatory

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and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

- We enquired of the Directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particularly in determining expected credit losses.

Audit response to risks identified
In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's Board of Directors, Board Risk, Audit Committee and Credit Committee meetings, inspection of the complaints register, inspection of legal and regulatory correspondence and correspondences from the regulators PRA and the FCA;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements;
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims;
  - challenging the assumptions and judgements made by management in its significant accounting estimates, in particular those relating to the determination of the expected credit losses as reported in the key audit matter section of our report; and
  - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- the Group and the Parent Company operate in a highly regulated banking industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements
We were appointed as statutory auditor on 6 November 2023 to audit the financial statements for the year ended 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is two years.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

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

Rakesh Shaunak, FCA
(Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
4 April 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Financial Statements

Statement of Comprehensive Income (Bank & Group)
For the year ended 31 December 2024

	Note	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Operating income					
Interest income on assets at amortised cost	4	304,270,419	235,513,365	304,330,536	235,513,365
Interest income on assets at fair value	4	58,119,968	38,648,729	58,167,526	38,648,729
Interest expense	5	(154,070,948)	(100,413,489)	(154,070,948)	(100,413,489)
Net interest income		208,319,439	173,748,605	208,427,114	173,748,605
Fee and commission income	6	32,739,640	30,614,509	32,739,640	30,614,509
Fee and commission expense	6	(2,891,533)	(1,802,245)	(2,882,004)	(1,802,245)
Net fee and commission income		29,848,107	28,812,264	29,857,636	28,812,264
Other income		6,179,206	5,046,212	6,179,206	5,046,212
Total operating income		**244,346,752**	**207,607,081**	**244,463,956**	**207,607,081**
Expected credit loss (ECL) allowance	8	(10,834,839)	(8,229,710)	(10,834,839)	(8,229,710)
Net operating income		**233,511,913**	**199,377,371**	**233,629,117**	**199,377,371**
Operating Expenses					
Personnel expenses	9	(38,755,452)	(31,872,155)	(38,755,452)	(31,872,155)
Depreciation and amortisation	19,20	(4,164,547)	(2,559,119)	(4,176,439)	(2,559,119)
Other expenses	10	(17,203,350)	(13,416,100)	(17,336,486)	(13,416,100)
Total operating expenses		**(60,123,349)**	**(47,847,374)**	**(60,268,377)**	**(47,847,374)**
Profit before tax expense		**173,388,564**	**151,529,997**	**173,360,740**	**151,529,997**
Tax expense	12	(45,661,717)	(39,302,942)	(45,651,980)	(39,302,942)
Profit after tax expense for the year		**127,726,847**	**112,227,055**	**127,708,760**	**112,227,055**
Other comprehensive income/(expense)					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		–	–	(1,394,980)	–
Other comprehensive income on investment securities		(1,320,073)	1,438,416	(1,320,073)	1,438,416
Other comprehensive income/(expense) for the year, net of tax		(1,320,073)	1,438,416	(2,715,053)	1,438,416
Total comprehensive income/(expense) for the year		**126,406,774**	**113,665,471**	**124,993,707**	**113,665,471**

The notes on pages 24 to 63 form an integral part of these financial figures.

The statement of comprehensive income (Bank & Group) should be read in conjunction with the accompanying notes.

Statement of Financial Position (Bank & Group)
As at 31 December 2024

	Note	**Bank 31 December 2024 $**	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Assets					
Cash and cash equivalents	14	302,616,403	463,780,357	302,842,905	463,780,357
Money market placements		13,252,505	7,158,534	13,252,505	7,158,534
Investment in subsidiary	15	22,224,000	–	–	–
Investment securities	16	2,294,936,949	1,023,445,451	2,315,673,331	1,023,445,451
Loans and advances to banks	17	1,774,689,997	1,376,219,992	1,774,689,997	1,376,219,992
Loans and advances to customers	18	1,669,793,574	1,523,143,929	1,669,793,574	1,523,143,929
Property, plant and equipment	19	2,032,215	1,138,435	2,413,937	1,138,435
Right-of-use assets	19	7,297,760	2,467,870	7,297,760	2,467,870
Intangible assets	20	8,596,031	4,658,030	8,849,892	4,658,030
Other financial assets	21	18,120,536	15,589,597	17,204,468	15,589,597
Other non-financial assets	21	7,852,040	3,780,734	8,062,800	3,780,734
Prepaid corporation tax		486,548	186,777	486,548	186,777
Derivative financial instruments	25	3,506,088	1,742,483	3,506,088	1,742,483
Total assets		**6,125,404,646**	**4,423,312,189**	**6,124,073,805**	**4,423,312,189**
Liabilities					
Deposits from banks	22	3,720,229,334	2,255,729,461	3,720,228,343	2,255,729,461
Deposits from customers	23	1,549,953,453	1,451,645,528	1,549,953,453	1,451,645,528
Lease liabilities	24	7,268,531	2,194,027	7,268,531	2,194,027
Other financial liabilities	24	12,843,899	8,498,610	12,834,369	8,498,610
Other non-financial liabilities	24	37,980,997	19,988,747	38,083,481	19,988,747
Deferred tax liability	12	2,228,603	1,202,528	2,218,866	1,202,528
Derivative financial instruments	25	9,995,259	1,749,163	9,995,259	1,749,163
Total liabilities		**5,340,500,076**	**3,741,008,064**	**5,340,582,302**	**3,741,008,064**
Net assets		**784,904,570**	**682,304,125**	**783,491,503**	**682,304,125**
Equity					
Share Capital	28	372,380,250	372,380,250	372,380,250	372,380,250
Retained earnings		417,623,754	313,703,236	417,605,667	313,703,236
Currency translation reserve	28	(5,013,563)	(5,013,563)	(5,013,563)	(5,013,563)
Other reserves	28	(85,871)	1,234,202	(1,480,851)	1,234,202
Total equity		**784,904,570**	**682,304,125**	**783,491,503**	**682,304,125**

The notes on pages 24 to 63 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 3 April 2025.

They were signed on its behalf by:

J. Simmonds
Chief Executive Officer/Managing Director

D. Plant
Finance Director

3 April 2025
Company Registration No. 06365062

The statement of financial position (Bank & Group) should be read in conjunction with the accompanying notes.

Statement of Changes in Equity (Bank & Group)

For the year ended 31 December 2024

Bank	**Share Capital $**	**Retained earnings $**	**Other Reserves $**	**Currency translation reserve $**	**Total Equity $**
Balance as at 1 January 2024	**372,380,250**	**313,703,236**	**1,234,202**	**(5,013,563)**	**682,304,125**
Profit after tax for the year	–	127,726,847	–	–	127,726,847
Other comprehensive income/(expense) for the year	–	–	(1,320,073)	–	(1,320,073)
Total comprehensive income for the year	–	127,726,847	(1,320,073)	–	126,406,774
Dividends declared	–	(23,806,329)	–	–	(23,806,329)
Transactions with equity holders	–	(23,806,329)	–	–	(23,806,329)
Balance at 31 December 2024	**372,380,250**	**417,623,754**	**(85,871)**	**(5,013,563)**	**784,904,570**

Bank	Share Capital $	Retained earnings $	Other Reserves $	Currency translation reserve $	Total Equity $
Balance as at 1 January 2023	**272,380,250**	**223,921,592**	**(204,214)**	**(5,013,563)**	**491,084,065**
Profit after tax for the year	–	112,227,055	–	–	112,227,055
Other comprehensive expense for the year	–	–	1,438,416	–	1,438,416
Total comprehensive income for the year	–	112,227,055	1,438,416	–	113,665,471
Proceeds from shares issued (note 27)	100,000,000	–	–	–	100,000,000
Dividends declared	–	(22,445,411)	–	–	(22,445,411)
Transactions with equity holders	100,000,000	(22,445,411)	–	–	77,554,589
Balance at 31 December 2023	**372,380,250**	**313,703,236**	**1,234,202**	**(5,013,563)**	**682,304,125**

Group	**Share Capital $**	**Retained earnings $**	**Other Reserves $**	**Currency translation reserve $**	**Total Equity $**
Balance as at 1 January 2024	**372,380,250**	**313,703,236**	**1,234,202**	**(5,013,563)**	**682,304,125**
Profit after tax for the year	–	127,708,760	–	–	127,708,760
Other comprehensive income/(expense) for the year	–	–	(2,715,053)	–	(2,715,053)
Total comprehensive income for the year	–	127,708,760	(2,715,053)	–	124,993,707
Dividends declared	–	(23,806,329)	–	–	(23,806,329)
Transactions with equity holders	–	(23,806,329)	–	–	(23,806,329)
Balance at 31 December 2024	**372,380,250**	**417,605,667**	**(1,480,851)**	**(5,013,563)**	**783,491,503**

Group	Share Capital $	Retained earnings $	Other Reserves $	Currency translation reserve $	Total Equity $
Balance as at 1 January 2023	**272,380,250**	**223,921,592**	**(204,214)**	**(5,013,563)**	**491,084,065**
Profit after tax for the year	–	112,227,055	–	–	112,227,055
Other comprehensive expense for the year	–	–	1,438,416	–	1,438,416
Total comprehensive income for the year	–	112,227,055	1,438,416	–	113,665,471
Proceeds from shares issued (note 25)	100,000,000	–	–	–	100,000,000
Dividends declared	–	(22,445,411)	–	–	(22,445,411)
Transactions with equity holders	100,000,000	(22,445,411)	–	–	77,554,589
Balance at 31 December 2023	**372,380,250**	**313,703,236**	**1,234,202**	**(5,013,563)**	**682,304,125**

The notes on pages 24 to 63 form an integral part of these financial statements.

The statement of changes in equity (Bank & Group) should be read in conjunction with the accompanying notes.

Statement of Cash Flows (Bank & Group)
For the year ended 31 December 2024

	Note	**Bank 31 December 2024 $**	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Cash flows from operating activities					
Profit before tax expense for the year		**173,388,564**	**151,529,997**	**173,360,740**	**151,529,997**
Adjustments for:					
Depreciation	19	3,212,001	1,800,071	3,219,590	1,800,071
Amortisation	20	952,546	759,048	956,849	759,048
Impairment charge on financial assets		10,834,839	8,229,710	10,834,839	8,229,710
Interest expense on Lease		401,164	65,940	401,164	65,940
Write off of property, plant and equipment		–	13,554	–	13,554
Operating cash flows before movements in working capital		**188,789,114**	**162,398,320**	**188,773,182**	**162,398,320**
Changes in operating assets:					
Changes in money market placements		(6,093,971)	(3,558,109)	(6,093,971)	(3,558,109)
Changes in loans and advances to banks and customers		(555,699,709)	(522,765,009)	(555,699,709)	(522,765,009)
Changes in other assets		(8,665,619)	1,637,826	(7,960,311)	1,637,826
Changes in operating liabilities:				–	–
Changes in deposits from banks		1,464,499,879	254,139,555	1,464,498,882	254,139,555
Changes in deposits from customers		98,308,227	199,431,981	98,308,227	199,431,981
Changes in other liabilities		32,975,340	8,011,361	33,067,302	8,011,361
		1,214,113,261	**99,295,925**	**1,214,893,602**	**99,295,925**
Taxation paid		(44,924,329)	(38,160,082)	(44,924,329)	(38,160,082)
Net cash from operating activities		**1,169,188,932**	**61,135,843**	**1,169,969,273**	**61,135,843**
Cash flows from investing activities					
Net purchase of investment securities		(1,272,811,576)	(309,430,328)	(1,293,547,958)	(309,430,328)
Purchase of share in subsidiary		(22,224,000)	–	–	–
Purchase of property, plant and equipment		(1,364,149)	(484,795)	(1,753,460)	(484,795)
Purchase of intangible assets		(4,890,547)	(1,641,145)	(5,148,710)	(1,641,145)
Net cash used in investing activities		**(1,301,290,272)**	**(311,556,268)**	**(1,300,450,128)**	**(311,556,268)**
Cash flows from financing activities					
Issuance of own shares		–	100,000,000	–	100,000,000
Lease payments principal		(2,771,957)	(1,362,355)	(2,771,957)	(1,362,355)
Lease payments interest		(89,465)	(25,495)	(89,465)	(25,495)
Dividends paid		(26,458,740)	(19,793,000)	(26,458,740)	(19,793,000)
Net cash (outflows) from financing activities		**(29,320,162)**	**78,819,150**	**(29,320,162)**	**78,819,150**
Net decrease in cash and cash equivalents		**(161,421,502)**	**(171,601,275)**	**(159,801,017)**	**(171,601,275)**
Cash and cash equivalents at the beginning of the year		463,780,357	634,602,649	463,780,357	634,602,649
Effect of exchange rate fluctuations on cash held		257,548	778,983	(1,136,435)	778,983
Cash and cash equivalents at the end of the year	**14**	**302,616,403**	**463,780,357**	**302,842,905**	**463,780,357**

The notes on pages 24 to 63 form an integral part of these financial statements.

The statement of cash flows (Bank & Group) should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
For the year ended 31 December 2024

1. General information (Bank & Group)

The Access Bank UK Limited ("the Bank") is a company incorporated and registered in England and Wales under the Companies Act 2006 and domiciled in the United Kingdom. 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 parent undertaking is Access Bank Plc, a bank incorporated in Nigeria and the ultimate parent undertaking is Access Holdings Plc, a financial services holding company 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. The Bank is authorised under the Financial Services and Markets Act 2000 (as amended in 2012). It is authorised by the PRA and regulated by the FCA and the PRA. The Bank's company registration number is 06365062.

2. Basis of preparation and material accounting policies (Bank & Group)

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 UK-adopted International Accounting Standards and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements consolidate the assets, liabilities and results of The Access Bank UK Limited (the Parent Company) and its subsidiaries (see note 15). Consistent accounting policies are used by the Group, the Parent Company and the subsidiaries. Subsidiaries are entities over which The Access Bank UK Limited has control. The Bank has control over another entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through the exercise of its power. The assessment of control is based on consideration of all facts and circumstances. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, which coincides with the date of incorporation. Upon consolidation, intercompany transactions and balances are eliminated.

Investments in subsidiaries are stated in the financial statements of The Access Bank UK Limited at cost less any provisions for impairment in value. All subsidiaries have financial years ending on 31 December 2024, co-terminus with the Parent Company's year end.

The financial statements have been prepared under the historical cost accounting convention as modified by the fair valuation of financial instruments at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). The financial statements incorporate the results of the Bank's Dubai and Paris branches. The Bank has established six wholly owned subsidiaries, five of which did not trade during 2024 (2023: did not trade). For these five non-trading subsidiaries 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. The one trading subsidiary, The Access Bank Malta Limited, has been incorporated into the consolidated group statements and notes.

The Bank's presentation currency is USD ($) and financial statements have been rounded to the nearest dollar.

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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 9. Note 27 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

Amendments to classification of liabilities as current or non-current (IAS 1)

The IAS 1 amendments clarify the requirements for classifying liabilities as current or non-current. More specifically:
The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.

Management expectations about events after the balance sheet date, for example on whether a covenant will be reached, or whether early settlement will take place, are not relevant. The amendments clarify the situations that are considered settlement of a liability.

The Bank confirms this amendment did not have a significant impact on the annual financial statements.

Amendments to IFRS 16 – Lease liability in a sale and lease back

The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and lease back transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The Bank confirms this amendment did not have a significant impact on the annual financial statements.

Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier Finance Arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Bank confirms this amendment did not have a significant impact on the annual financial statements.

Future accounting developments

IFRS 18 – Presentation and Disclosure in Financial Statements

Effective date: Annual periods commencing on or after 1 January 2027.

IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows.

IFRS 18 aims to improve financial reporting by:

– requiring additional defined subtotals in the statement of profit or loss;
– requiring disclosures about management defined performance measures (MPMs); and
– adding new principles for grouping (aggregation and disaggregation) of information.

The new standard is expected to impact the Bank's presentation of its statement of comprehensive income as well as additional disclosures of MPMs.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

Effective date: Annual periods commencing on or after 1 January 2027.

IFRS 19 enables eligible entities to provide reduced disclosures compared to the requirements in other IFRS accounting standards. Entities that elect IFRS 19 are still required to apply recognition, measurement and presentation requirements of other IFRS accounting standards.

The Bank does not expect this standard to have any impact on the annual financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

Effective date: Annual periods commencing on or after 1 January 2026.

The International Accounting Standards Board (IASB) has issued narrow-scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures in an effort to address the growing challenge of accounting for nature-dependent electricity contracts, often structured as power purchase agreements.

The scope of the amendments is limited to contracts referencing nature-dependent electricity, where the electricity source depends on uncontrollable natural conditions, such as the weather, which expose an entity to variability.

The Bank does not expect the amendment to have an impact on the annual financial statements.

2.4 Material 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.

2. Basis of preparation and material accounting policies (Bank & Group) continued

2.4 Material accounting policies continued

Financial assets and liabilities continued

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

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 in profit 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), and
- 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 and interest on the principal amount outstanding on a specified date (SPPI).
- **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 'interest income'. Interest income from these financial instruments is included in 'interest income' using the effective interest rate method and interest on the principal amount outstanding on a specified date (SPPI).
- **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' and interest on the principal amount outstanding on a specified date (SPPI).

- **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.

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 including gains and losses 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.

Impairment

The Bank assesses on a forward-looking basis the expected 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.

Notes to the Financial Statements
For the year ended 31 December 2024

2. Basis of preparation and material accounting policies (Bank & Group) continued

2.4 Material accounting policies continued

Financial assets and liabilities continued

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. USD is the principal currency involved in the majority of the Bank's activities. 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 25 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 twelve 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 derived on a market to market basis and converted using the closing exchange rate at the end of the reporting period. 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 accumulated depreciation and accumulated impairment losses 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 of disposal and value in use. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Access Bank UK Limited ("the Bank") as at 31 December 2024 and the results of all subsidiaries for the year then ended. The Access Bank UK Limited and its subsidiaries together are referred to in these financial statements as "the Group".

Subsidiaries are all those entities over which the consolidated entity has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

2. Basis of preparation and material accounting policies (Bank & Group) continued

2.4 Material accounting policies continued

Principles of consolidation continued

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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 Bank, 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 in Note 9.

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 of disposal 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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

3. Critical accounting judgements, estimates and assumptions (Bank & Group)

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) 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 27, 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 2024, 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 pages 45-49.

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 IFRS9. 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. Detailed information about the judgements and estimates made by the Bank in the above areas is set out in note 27 (d).

4. Interest income (Bank & Group)

Derived from:

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Cash and money market placements	20,599,099	19,303,308	20,659,216	19,303,308
Loans and advances to banks	96,614,525	107,628,407	96,614,525	107,628,407
Loans and advances to customers	181,518,878	108,581,650	181,518,878	108,581,650
Total interest income	**298,732,502**	**235,513,365**	**298,792,619**	**235,513,365**
Investment securities at FVPL	58,119,968	38,648,729	58,167,526	38,648,729
Investment securities at FVOCI	5,537,917	–	5,537,917	–
Total interest income on assets at FVPL and FVOCI	**63,657,885**	**38,648,729**	**63,705,443**	**38,648,729**
	362,390,387	**274,162,094**	**362,498,062**	**274,162,094**

5. Interest expense (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Payable on:				
Customer term deposits	(47,243,709)	(37,070,052)	(47,243,709)	(37,070,052)
Other customer deposits	(9,137)	(8,831)	(9,137)	(8,831)
Deposits from banks	(104,142,078)	(63,269,914)	(104,142,078)	(63,269,914)
Interest expense on lease liabilities	(401,165)	(64,692)	(401,165)	(64,692)
Interest bearing borrowings and other borrowed funds	(2,274,859)	–	(2,274,859)	–
Total interest expense	**(154,070,948)**	**(100,413,489)**	**(154,070,948)**	**(100,413,489)**

6. Fee and commission income and expense (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Derived from:				
Funds transfer	1,034,384	986,453	1,034,384	986,453
Trade finance	24,148,340	21,772,584	24,148,340	21,772,584
Other	7,556,916	7,855,472	7,556,916	7,855,472
Total fee and commission income	32,739,640	30,614,509	32,739,640	30,614,509
Fee and commission expense	(2,891,533)	(1,802,245)	(2,882,004)	(1,802,245)
Net fee and commission income	**29,848,107**	**28,812,264**	**29,857,636**	**28,812,264**

7. Business and geographic segments (Bank & Group)

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

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

8. Expected credit loss (ECL) allowance (Bank & Group)

The below table summarises the ECL allowance for the year in the income statement.

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Loans and advances to banks	(6,287,457)	(96,317)	(6,287,457)	(96,317)
Loans and advances to customers	(4,292,676)	(7,969,905)	(4,292,676)	(7,969,905)
Investment securities	–	4,481	–	4,481
Cash and cash equivalents	6,019	(15,184)	6,019	(15,184)
Contingents (letters of credit and guarantees)	(260,725)	(152,785)	(260,725)	(152,785)
Total credit impairment charge	**(10,834,839)**	**(8,229,710)**	**(10,834,839)**	**(8,229,710)**

9. Personnel expenses (Bank & Group)

Information regarding Directors and employees

Employment costs are as follows:

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Wages and Salaries	32,900,025	26,826,859	32,900,025	26,826,859
Pension Costs – defined contribution scheme	1,761,647	1,529,080	1,761,647	1,529,080
Social security costs	2,774,452	2,434,613	2,774,452	2,434,613
Other personnel expenses	1,319,328	1,081,603	1,319,328	1,081,603
Total personnel expenses	**38,755,452**	**31,872,155**	**38,755,452**	**31,872,155**

A sum of $Nil (2023: $343,737) has been awarded in respect of bonuses which have been deferred for three years.

9. Personnel expenses (Bank & Group) continued

Information regarding Directors and employees continued

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 $1,761,647 (31 December 2023: $1,529,080) were charged to profit and loss.

A share-based payments scheme was launched in 2014 for eligible Directors and employees. Shares of Access Holdings 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. 93,617,681 shares with an initial value of $1,148,314 were granted in 2024 (2023: 65,316,944 shares with an initial value of $927,722). Nil shares were forfeited in the year (2023: 1,833,857).

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Number of employees at year end	**210**	198	**252**	198
Monthly average number of employees during the year	**205**	190	**239**	190

During the year, the Bank had an average of 72 (2023: 68) employees involved in fee-earning roles and 133 (2023: 122) in administration and the Group had an average of 74 (2023: 68) employees involved in fee-earning roles and 165 (2023: 122) in administration.

The Directors' remuneration and fees for the year were as follows:

	Bank 31 December 2024 $	Bank 31 December 2023 $
Fees	**297,416**	302,258
Other emoluments	**3,707,610**	4,870,391
	4,005,026	**5,172,649**

The highest paid Director received emoluments excluding pension contribution totalling $3,165,931 (2023: $3,146,010) and pension contributions of $Nil (2023: $Nil). Retirement benefits are accrued under defined contribution schemes.

10. Other Expenses (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Auditors' remuneration	**839,477**	719,549	**891,711**	719,549
Legal and consultancy fees	**4,506,269**	5,420,274	**4,587,111**	5,420,274
Repairs and maintenance	**66,099**	665,518	**66,099**	665,518
Business travel	**1,540,585**	1,064,358	**1,540,585**	1,064,358
IT and e-business	**2,414,011**	1,236,519	**2,414,011**	1,236,519
Periodicals and subscriptions	**1,654,908**	1,167,328	**1,654,908**	1,167,328
Administrative expenses	**5,690,480**	2,474,980	**5,690,540**	2,474,980
Other expenses	**491,521**	667,574	**491,521**	667,574
	17,203,350	**13,416,100**	**17,336,486**	**13,416,100**

11. Auditors' remuneration (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Fees payable to the Bank and Group's auditors for the audit of the financial statements:				
Audit of these financial statements	**469,295**	421,611	**521,529**	421,611
Audit of the year end group reporting package	**235,799**	140,537	**235,799**	140,537
Other audit-related services	**96,630**	123,672	**96,630**	123,672
Other assurance services	**37,753**	33,729	**37,753**	33,729
Total auditors' remuneration	**839,477**	**719,549**	**891,711**	**719,549**

The costs of the review of the half year reporting package were incurred directly by Access Bank Plc in 2024 and 2023.

12. Tax

	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Analysis of tax charge during period:				
UK Corporation tax at 25% (2023: 23.5%)				
Current tax charge on profits for the year	44,330,253	38,596,402	44,330,253	38,596,402
Prior year adjustments to deferred tax charge (credit)	302,079	–	302,079	–
	44,632,332	38,596,402	44,632,332	38,596,402
Deferred tax:				
Temporary Difference, origination and reversal	1,029,385	218,278	1,019,648	218,278
Prior year adjustments to deferred tax charge (credit)	–	488,263	–	488,263
Tax charge on profits on ordinary shares	**45,661,717**	**39,302,943**	**45,651,980**	**39,302,943**
Effective tax rate	**26.33%**	**25.94%**	**26.33%**	**25.94%**
Factors affecting tax charge:				
Profit before taxation multiplied by the average rate of UK mainstream corporation tax 25% (2023: 23.5%)	43,347,141	35,640,686	43,347,141	35,640,686
Expenses not deductible for tax purposes	602,010	195,576	602,010	195,576
Bank surcharge	1,365,830	2,991,123	1,365,830	2,991,123
Effect of tax rate change	44,657	(12,705)	44,657	(12,705)
Adjustment to tax charge in respect of previous period	302,079	488,263	302,079	488,263
Adjustment for subsidiary deferred tax asset in the year	–	–	(9,737)	–
Tax	**45,661,717**	**39,302,943**	**45,651,980**	**39,302,943**

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 above. The corporation tax rate was 25% in 2024.

Deferred tax liability:

	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Balance as at 1 January	**1,202,528**	484,114	**1,202,528**	484,114
Charged to comprehensive income	**1,029,385**	706,541	**1,019,648**	706,541
Currency translation impact	**(3,310)**	11,873	**(3,310)**	11,873
Balance as at 31 December	**2,228,603**	**1,202,528**	**2,218,866**	**1,202,528**

The mainstream rate of corporation tax for the tax year was 25.00% and the bank corporation tax surcharge rate of 3.00% was applicable on profits above £100,000,000 and this resulted in a weighted average effective tax rate of 26.33% for 2024 (2023: 25.94%). The deferred tax liability as at 31 December 2024 has been calculated based on an effective rate of 26.33% (2023: 25.50%).

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

13. Dividends declared (Bank & Group)

A dividend of $23,806,329 (2023: $19,793,000) was paid during the year. The Directors approved a final dividend of $Nil (2023: $2,652,411) in respect of the year. The par value of The Access Bank UK Limited shares is $1.26 per share.

14. Cash and cash equivalents (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Petty cash	1,205	7,941	1,205	7,941
Cash with other banks	38,283,539	99,599,933	38,510,041	99,599,933
Cash with Bank of England	264,341,274	364,188,117	264,341,274	364,188,117
Total gross amount	302,626,018	463,795,991	302,852,520	463,795,991
Allowance for impairment losses	(9,615)	(15,634)	(9,615)	(15,634)
Total net amount	**302,616,403**	**463,780,357**	**302,842,905**	**463,780,357**

The above table reflects cash and cash equivalents repayable on demand.

15. Investment in Subsidiary (Bank & Group)

In December 2024, the Bank received approval from the Malta Financial Services Authority (MFSA) and European Central Bank (ECB) to establish a credit institution in Malta ("The Access Bank Malta Limited"). The Bank has made an investment of $22,224,000 into The Access Bank Malta Limited which is its wholly owned subsidiary.

16. Investment securities (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
US Treasury bills and government bonds (FVPL)	**1,971,422,489**	1,018,686,084	**1,992,158,871**	1,018,686,084
Listed equity securities in financial institutions (FVOCI)	**4,095,335**	4,759,367	**4,095,335**	4,759,367
US Treasury bills (FVOCI)	**319,419,125**	–	**319,419,125**	–
Total investment securities	**2,294,936,949**	**1,023,445,451**	**2,315,673,331**	**1,023,445,451**

These comprise of investment securities at fair value measured through other comprehensive income, and fair value through profit and loss in accordance with IFRS9. The basis of estimating the fair value of these assets is by ascertaining the market value as at the reporting date. See note 2 for definition.

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 ICS US Treasury Fund and JP Morgan Treasury CNAV Institutional Fund. The maturity analysis of these investment securities is disclosed in note 27.

17. Loans and advances to banks (Bank & Group)

	Note	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Loans and advances to other banks		**1,145,550,610**	925,237,580	**1,145,550,610**	925,237,580
Loans to Parent bank	29	**620,429,443**	417,729,990	**620,429,443**	417,729,990
Loans to fellow group subsidiaries	29	**15,174,063**	33,429,080	**15,174,063**	33,429,080
Total gross amount		**1,781,154,116**	1,376,396,650	**1,781,154,116**	1,376,396,650
Allowance for impairment losses		**(6,464,119)**	(176,658)	**(6,464,119)**	(176,658)
Total net amount		**1,774,689,997**	**1,376,219,992**	**1,774,689,997**	**1,376,219,992**

As at 31 December 2024, loans to banks with a fair value of $32,259,096 were credit impaired (2023: $Nil). The fair value of the cash collateral held and the maturity profile of these loans is disclosed in note 27.

18. Loans and advances to customers (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	Group 31 December 2024 $	Group 31 December 2023 $
Loans and advances to corporates	**1,487,628,136**	1,386,572,738	**1,487,628,136**	1,386,572,738
Loans secured on property	**128,950,353**	120,538,545	**128,950,353**	120,538,545
Other secured personal loans	**80,281,571**	42,417,147	**80,281,571**	42,417,147
Total gross amount	**1,696,860,060**	1,549,528,430	**1,696,860,060**	1,549,528,430
Allowance for impairment losses	**(27,066,486)**	(26,384,501)	**(27,066,486)**	(26,384,501)
Total net amount	**1,669,793,574**	**1,523,143,929**	**1,669,793,574**	**1,523,143,929**

As at 31 December 2024, there were property loans to 16 customers with a fair value of $12,751,134 that were credit impaired (2023: property loans to 14 customers with a fair value of $9,728,828). These loans were collateralised with current property value of $24,656,881 (2023: $20,880,968).

As at 31 December 2024, there were trade loans to 8 customers with a fair value of $49,905,384 that were credit impaired with an impairment provision of $25,413,612. As at 31 December 2023, there were trade loans to 10 customers with a fair value of $78,340,256 that were credit impaired with an impairment provision of $25,311,251. These loans are subject to credit insurance of $46,386,514.

The maturity profile of these loans is disclosed in note 27.

19. Property, plant and equipment (Bank & Group)

Bank **Cost**	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Balance at 1 January 2024	1,481,824	2,072,065	354,726	541,546	116,206	4,566,367
Additions	556,715	523,192	80,108	71,696	132,438	1,364,149
Disposals/write-offs	–	–	(86,136)	–	–	(86,136)
Balance at 31 December 2024	**2,038,539**	**2,595,257**	**348,698**	**613,242**	**248,644**	**5,844,380**
Balance at 1 January 2023	1,469,578	1,924,571	168,196	508,222	110,465	4,181,032
Additions	13,284	146,440	268,590	39,480	17,001	484,795
Disposals/write-offs	(1,038)	–	(82,060)	(12,517)	(4,062)	(99,677)
Transfers	–	1,054	–	6,361	(7,415)	–
FX Translation difference	–	–	–	–	217	217
Balance at 31 December 2023	**1,481,824**	**2,072,065**	**354,726**	**541,546**	**116,206**	**4,566,367**

Bank **Depreciation**	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Balance at 1 January 2024	(1,204,357)	(1,664,887)	(108,217)	(450,471)	–	(3,427,932)
Depreciation for the year	(54,499)	(313,935)	(60,326)	(37,922)	–	(466,682)
Disposals	–	–	82,449	–	–	82,449
Balance at 31 December 2024	**(1,258,856)**	**(1,978,822)**	**(86,094)**	**(488,393)**	**–**	**(3,812,165)**
Balance at 1 January 2023	(1,147,494)	(1,359,034)	(146,778)	(433,275)	–	(3,086,581)
Depreciation for the year	(56,863)	(305,853)	(43,499)	(29,712)	–	(435,927)
Disposals	–	–	82,060	12,516	–	94,576
Balance at 31 December 2023	**(1,204,357)**	**(1,664,887)**	**(108,217)**	**(450,471)**	**–**	**(3,427,932)**
Net book value						
At 31 December 2024	**779,683**	**616,435**	**262,604**	**124,849**	**248,644**	**2,032,215**
At 31 December 2023	**277,467**	**407,178**	**246,509**	**91,075**	**116,206**	**1,138,435**

19. Property, plant and equipment (Bank & Group) continued

Group **Cost**	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Balance at 1 January 2024	1,481,824	2,072,065	354,726	541,546	116,206	4,566,367
Additions	556,715	625,679	80,108	358,520	132,438	1,753,460
Disposals/write-offs	–	–	(86,136)	–	–	(86,136)
Balance at 31 December 2024	**2,038,539**	**2,697,744**	**348,698**	**900,066**	**248,644**	**6,233,691**
Balance at 1 January 2023	1,469,578	1,924,571	168,196	508,222	110,465	4,181,032
Additions	13,284	146,440	268,590	39,480	17,001	484,795
Disposals/write-offs	(1,038)	–	(82,060)	(12,517)	(4,062)	(99,677)
Transfers	–	1,054	–	6,361	(7,415)	–
FX Translation difference	–	–	–	–	217	217
Balance at 31 December 2023	**1,481,824**	**2,072,065**	**354,726**	**541,546**	**116,206**	**4,566,367**

Group **Depreciation**	Leasehold improvements $	Computer equipment $	Motor vehicles $	Furniture, fixtures and fittings $	Capital work in progress $	Total $
Balance at 1 January 2024	(1,204,357)	(1,664,887)	(108,217)	(450,471)	–	(3,427,932)
Depreciation for the year	(54,499)	(316,744)	(60,326)	(42,702)	–	(474,271)
Disposals	–	–	82,449	–	–	82,449
Balance at 31 December 2024	**(1,258,856)**	**(1,981,631)**	**(86,094)**	**(493,173)**	**–**	**(3,819,754)**
Balance at 1 January 2023	(1,147,494)	(1,359,034)	(146,778)	(433,275)	–	(3,086,581)
Depreciation for the year	(56,863)	(305,853)	(43,499)	(29,712)	–	(435,927)
Disposals	–	–	82,060	12,516	–	94,576
Balance at 31 December 2023	**(1,204,357)**	**(1,664,887)**	**(108,217)**	**(450,471)**	**–**	**(3,427,932)**
Net book value						
At 31 December 2024	**779,683**	**716,113**	**262,604**	**406,893**	**248,644**	**2,413,937**
At 31 December 2023	**277,467**	**407,178**	**246,509**	**91,075**	**116,206**	**1,138,435**

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

Right-of-use assets

Bank **Cost**	Buildings $	Total $
Balance at 1 January 2024	8,633,695	8,633,695
Adjustments	(111,001)	(111,001)
Additions	7,684,644	7,684,644
Balance at 31 December 2024	**16,207,338**	**16,207,338**
Accumulated Depreciation		
Balance at 1 January 2024	(6,165,825)	(6,165,825)
Adjustments	1,566	1,566
Depreciation for the year	(2,745,319)	(2,745,319)
Balance at 31 December 2024	**(8,909,578)**	**(8,909,578)**
Net book value at 31 December 2024	**7,297,760**	**7,297,760**

Bank **Cost**	Buildings $	Total $
Balance at 1 January 2023	8,633,695	8,633,695
Additions	–	–
Balance at 31 December 2023	**8,633,695**	**8,633,695**
Accumulated Depreciation		
Balance at 1 January 2023	(4,801,681)	(4,801,681)
Depreciation for the year	(1,364,144)	(1,364,144)
Balance at 31 December 2023	**(6,165,825)**	**(6,165,825)**
Net book value at 31 December 2023	**2,467,870**	**2,467,870**

Group **Cost**	Buildings $	Total $
Balance at 1 January 2024	8,633,695	8,633,695
Adjustments	(111,001)	(111,001)
Additions	7,684,644	7,684,644
Balance at 31 December 2024	**16,207,338**	**16,207,338**
Accumulated Depreciation		
Balance at 1 January 2024	(6,165,825)	(6,165,825)
Adjustments	1,566	1,566
Depreciation for the year	(2,745,319)	(2,745,319)
Balance at 31 December 2024	**(8,909,578)**	**(8,909,578)**
Net book value at 31 December 2024	**7,297,760**	**7,297,760**

Group **Cost**	Buildings $	Total $
Balance at 1 January 2023	8,633,695	8,633,695
Additions	–	–
Balance at 31 December 2023	**8,633,695**	**8,633,695**
Accumulated Depreciation		
Balance at 1 January 2023	(4,801,681)	(4,801,681)
Depreciation for the year	(1,364,144)	(1,364,144)
Balance at 31 December 2023	**(6,165,825)**	**(6,165,825)**
Net book value at 31 December 2023	**2,467,870**	**2,467,870**

The adjustments during the year relate to the right-of-use asset and the associated accumulated depreciation for which lease agreement was replaced before full term of the agreement was completed.

20. Intangible assets (Bank & Group)

Bank **Cost**	**Intangible work in progress** **$**	**Computer software** **$**	**Total** **$**
Balance at 1 January 2024	1,484,995	8,277,351	9,762,346
Additions	4,884,981	5,566	4,890,547
Disposals	–	–	–
Transfers	(215,136)	215,136	–
Balance at 31 December 2024	**6,154,840**	**8,498,053**	**14,652,893**
Balance at 1 January 2023	2,019,404	6,177,141	8,196,545
Additions	1,541,121	100,024	1,641,145
Disposals	(75,344)	–	(75,344)
Transfers from capital work in progress	(2,000,186)	2,000,186	–
Balance at 31 December 2023	**1,484,995**	**8,277,351**	**9,762,346**

Bank **Amortisation**	**Intangible work in progress** **$**	**Computer software** **$**	**Total** **$**
Balance at 1 January 2024	–	(5,104,315)	(5,104,315)
Amortisation for the year	–	(952,546)	(952,546)
Balance at 31 December 2024	**–**	**(6,056,861)**	**(6,056,861)**
Balance at 1 January 2023	–	(4,345,267)	(4,345,267)
Amortisation for the year	–	(759,048)	(759,048)
Balance at 31 December 2023	**–**	**(5,104,315)**	**(5,104,315)**
Net book value	**$**	**$**	**$**
As at 31 December 2024	**6,154,840**	**2,441,191**	**8,596,031**
As at 31 December 2023	**1,484,995**	**3,173,035**	**4,658,030**

Group **Cost**	**Intangible work in progress** **$**	**Computer software** **$**	**Total** **$**
Balance at 1 January 2024	1,484,995	8,277,351	9,762,346
Additions	4,884,981	263,729	5,148,710
Transfers	(215,136)	215,136	–
Balance at 31 December 2024	**6,154,840**	**8,756,216**	**14,911,056**
Balance at 1 January 2023	2,019,404	6,177,141	8,196,545
Additions	1,541,121	100,024	1,641,145
Disposals	(75,344)	–	(75,344)
Transfers from capital work in progress	(2,000,186)	2,000,186	–
Balance at 31 December 2023	**1,484,995**	**8,277,351**	**9,762,346**

Group Amortisation	**Intangible work in progress $**	**Computer software $**	**Total $**
Balance at 1 January 2024	–	(5,104,315)	(5,104,315)
Amortisation for the year	–	(956,849)	(956,849)
Balance at 31 December 2024	**–**	**(6,061,164)**	**(6,061,164)**
Balance at 1 January 2023	–	(4,345,267)	(4,345,267)
Amortisation for the year	–	(759,048)	(759,048)
Balance at 31 December 2023	**–**	**(5,104,315)**	**(5,104,315)**
Net book value	**$**	**$**	**$**
As at 31 December 2024	**6,154,840**	**2,695,052**	**8,849,892**
As at 31 December 2023	**1,484,995**	**3,173,035**	**4,658,030**

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.

21. Other Assets (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Other financial assets:				
Accrued income	5,531,466	7,540,076	5,531,466	7,540,076
Amounts due from fellow group undertakings	3,066,865	4,734,694	2,103,504	4,734,694
Other receivables	9,522,205	3,314,827	9,569,498	3,314,827
	18,120,536	15,589,597	17,204,468	15,589,597
Other non-financial assets:				
Prepayments	7,852,040	3,780,734	8,062,800	3,780,734
	7,852,040	3,780,734	8,062,800	3,780,734
Total other assets	**25,972,576**	**19,370,331**	**25,267,268**	**19,370,331**

Included within other receivables are items such as VAT recoverable, lease deposits, items relating to fees and other ancillary receivables, items in relation to the staff share scheme and receivables from foreign exchange transactions awaiting settlement.

22. Deposits from banks (Bank & Group)

	Note	**Bank 31 December 2024 $**	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Amounts due to group undertakings:					
Parent Bank	29	2,162,073,994	1,226,063,901	2,162,073,994	1,226,063,901
Fellow subsidiaries	29	29,272,719	21,157,379	29,272,719	21,157,379
Amounts due to other banks		1,528,882,621	1,008,508,181	1,528,881,630	1,008,508,181
Total deposits from banks		**3,720,229,334**	**2,255,729,461**	**3,720,228,343**	**2,255,729,461**

The maturity profile of these deposits is disclosed in note 27.

23. Deposits from customers (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Current accounts	484,659,285	545,486,268	484,659,285	545,486,268
Deposit accounts	1,065,294,168	906,159,260	1,065,294,168	906,159,260
Total deposits from customers	**1,549,953,453**	**1,451,645,528**	**1,549,953,453**	**1,451,645,528**

The maturity profile of these deposits is disclosed in note 27.

24. Other Liabilities (Bank & Group)

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Other financial liabilities:				
Amounts due to fellow group undertakings (see note 28)	174,269	1,400,690	174,269	1,400,690
Social security and other taxes	577,533	566,680	577,533	566,680
Other payables	9,199,610	3,864,676	9,190,080	3,864,676
Creditors and accruals	258,207	295,012	258,207	295,012
Staff share scheme	2,634,280	2,371,552	2,634,280	2,371,552
	12,843,899	8,498,610	12,834,369	8,498,610
Other non-financial liabilities:				
Amounts due to fellow group undertakings (see note 28)	30,592	–	–	–
Dividends payable	–	2,652,411	–	2,652,411
Creditors and accruals	3,182,445	1,690,581	3,315,521	1,690,581
Personnel expenses	12,664,091	9,065,415	12,664,091	9,065,415
Deferred income relating to letters of credit	22,103,869	6,580,340	22,103,869	6,580,340
	37,980,997	19,988,747	38,083,481	19,988,747
Total other liabilities	**50,824,896**	**28,487,357**	**50,917,850**	**28,487,357**

In 2024, Deferred Income increased to $22,103,869 (2023: $6,580,340). In 2024, $6,446,852 of the 2023 deferred income balance was taken to fee and commission income in the statement of comprehensive income.

Bank

Maturity analysis of lease liability 2024	**Less than 3 months $**	**Between 3 & 12 months $**	**More than 12 months $**	**Carrying amount $**
Lease liability	**648,695**	**1,895,571**	**4,724,265**	**7,268,531**

Bank

Maturity analysis of lease liability 2023	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Lease liability	318,264	954,791	920,972	2,194,027

Group

Maturity analysis of lease liability 2024	**Less than 3 months $**	**Between 3 & 12 months $**	**More than 12 months $**	**Carrying amount $**
Lease liability	**648,695**	**1,895,571**	**4,724,265**	**7,268,531**

Group

Maturity analysis of lease liability 2023	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Lease liability	318,264	954,791	920,972	2,194,027

25. Derivative financial instruments (Bank & Group)

Bank	**Notional value 31 December 2024 $**	Notional value 31 December 2023 $	**Fair value 31 December 2024 $**	Fair value 31 December 2023 $
Forward foreign currency contracts				
Receivables	**136,531,448**	149,624,863	**3,506,088**	1,742,483
Payables	**(305,903,406)**	(102,752,765)	**(9,995,259)**	(1,749,163)

Group	**Notional value 31 December 2024 $**	Notional value 31 December 2023 $	**Fair value 31 December 2024 $**	Fair value 31 December 2023 $
Forward foreign currency contracts				
Receivables	**133,025,360**	149,624,863	**3,506,088**	1,742,483
Payables	**(305,903,406)**	(102,752,765)	**(9,995,259)**	(1,749,163)

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 2024. All forward contracts are considered to be level 2 (i.e. are priced with reference to observable market data at the reporting date). Details of the currencies the derivatives relate to can be found in the table below:

Bank and Group 2024 Foreign exchange forward contracts	**Sterling $**	**US dollars $**	**Euro $**	**Other currencies $**	**Fair value $**
Receivables	215,157	3,290,784	147	–	3,506,088
Payables	(9,528,389)	(86,123)	(105,018)	(275,729)	(9,995,259)
Net receivables/(payables)	**(9,313,232)**	**3,204,661**	**(104,871)**	**(275,729)**	**(6,489,171)**

2023 Foreign exchange forward contracts	Sterling $	US dollars $	Euro $	Other currencies $	Fair value $
Receivables	1,491,962	96,652	91,332	62,537	1,742,483
Payables	(1,376,859)	(81,058)	(86,363)	(204,883)	(1,749,163)
Net receivables/(payables)	115,103	15,594	4,969	(142,346)	(6,680)

26. Commitments and guarantees (Bank & Group)

a. Trade finance commitments

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Letters of credit	**207,917,510**	311,948,683	**207,917,510**	311,948,683
Other commitments	**24,585,761**	10,181,798	**24,585,761**	10,181,798
Guarantees	**22,132,195**	2,407,744	**22,132,195**	2,407,744
Total trade finance commitments	**254,635,466**	**324,538,225**	**254,635,466**	**324,538,225**

Commitments and guarantees are categorised as 'amortised cost' in accordance with IFRS 9. As detailed in note 27 page 55, the Bank has expected credit losses of $552,853 (2023: $292,128) in relation to letters of credit and $364 (2023: $Nil) in relation to guarantees. Included in letters of credit and guarantees are cash collateralised transactions amounting to $125,319,242 (2023: $81,199,504). Other commitments relate to undrawn property commitments which are loan facilities secured against property which are yet to be drawn.

27. Financial instruments (Group)

a. Financial instruments classification

Disclosures relating to financial instruments and related risks are given on a Group basis, as the risks of the organisation are managed on a Group basis. The Bank basis is not considered to be materially different from the Group basis for any of these disclosures.

Group

2024 **Assets**	**Amortised Cost** **$**	**Financial assets at FVPL** **$**	**Financial assets at FVOCI** **$**	**Total** **$**
Cash and cash equivalents	302,842,905	–	–	302,842,905
Money market placements	13,252,505	–	–	13,252,505
Loans and advances to banks	1,774,689,997	–	–	1,774,689,997
Loans and advances to customers	1,669,793,574	–	–	1,669,793,574
Derivative financial instruments	–	3,506,088	–	3,506,088
Investment securities	–	1,992,158,871	323,514,460	2,315,673,331
Other financial assets	17,204,468	–	–	17,204,468
Total assets	**3,777,783,449**	**1,995,664,959**	**323,514,460**	**6,096,962,868**

Group

2024 **Liabilities**	**Financial liabilities at amortised cost** **$**	**Financial liabilities at FVPL** **$**	**Total** **$**
Deposits from banks	3,720,228,343	–	3,720,228,343
Deposits from customers	1,549,953,453	–	1,549,953,453
Derivative financial instruments	–	9,995,259	9,995,259
Other financial liabilities	20,102,900	–	20,102,900
Total liabilities	**5,290,284,696**	**9,995,259**	**5,300,279,955**

Group

2023 Assets	Amortised Cost $	Financial assets at FVPL $	Financial assets at FVOCI $	Total $
Cash and cash equivalents	463,780,357	–	–	463,780,357
Money market placements	7,158,534	–	–	7,158,534
Loans and advances to banks	1,376,219,992	–	–	1,376,219,992
Loans and advances to customers	1,523,143,929	–	–	1,523,143,929
Derivative financial instruments	–	1,742,483	–	1,742,483
Investment securities	–	1,018,686,084	4,759,367	1,023,445,451
Other financial assets	16,918,639	–	–	16,918,639
Total assets	**3,387,221,451**	**1,020,428,567**	**4,759,367**	**4,412,409,385**

Group

2023 Liabilities	Financial liabilities at amortised cost $	Financial liabilities at FVPL $	Total $
Deposits from banks	2,255,729,461	–	2,255,729,461
Deposits from customers	1,451,645,528	–	1,451,645,528
Derivative financial instruments	–	1,749,163	1,749,163
Other financial liabilities	22,410,471	–	22,410,471
Total liabilities	**3,729,785,460**	**1,749,163**	**3,731,534,623**

Included in other financial liabilities are lease liabilities of $7,268,531 (2023: $2,194,027) which are measured at amortised cost.

b. Valuation hierarchy

The table below analyses the financial assets and liabilities of the Group which are carried at fair value, in line with the accounting policy on page 29. 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.

Group **2024**	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial assets at FVPL:				
Investment securities	1,992,158,871	–	–	1,992,158,871
Derivative financial instruments	–	3,506,088	–	3,506,088
Financial assets at FVOCI:				
Investment securities	323,514,460	–	–	323,514,460
Total financial assets carried at fair value	**2,315,673,331**	**3,506,088**	**–**	**2,319,179,419**
Financial liabilities at FVPL:				
Derivative financial instruments	–	9,995,259	–	9,995,259
Total financial liabilities carried at fair value	**–**	**9,995,259**	**–**	**9,995,259**

Group 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets at FVPL:				
Investment securities	1,018,686,084	–	–	1,018,686,084
Derivative financial instruments	–	1,742,483	–	1,742,483
Financial assets at FVOCI:				
Investment securities	4,759,367	–	–	4,759,367
Total financial assets carried at fair value	**1,023,445,451**	**1,742,483**	**–**	**1,025,187,934**
Financial liabilities at FVPL:				
Derivative financial instruments	–	1,749,163	–	1,749,163
Total financial liabilities carried at fair value	–	1,749,163	–	1,749,163

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.

27. Financial instruments (Group) continued

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.

Loans to banks

This is mainly made up of loans to Sub-Saharan African Correspondent banks, and group undertakings. 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 15.03%, equivalent of a Bank risk rating of three and being the lowest rated customer that the Bank would lend to under this product. For loans secured by 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 48, 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.

Cash and cash equivalents and money market placements

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

27. Financial instruments (Group) continued
d. Credit risk continued
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, or have encountered severe financial difficulties such that the likelihood of recovery from customers is remote, 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 certain 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. For the remainder of the claims, management have exercised their judgement to determine a probability of recovery for each customer based on their evaluation of available information. 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 for example – 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.

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 and cash equivalents 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 2024 ('base' scenario) and two outer scenarios, referred to as the 'upside' and 'downside' scenarios.

For cash and cash equivalents 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 50%, the upside scenario 25% and the downside scenario 25%. To model the impact of each scenario, we have assumed that for the upside scenario the PDs and LGDs are each decreased by 30% (i.e. a 10% PD would become 7.7%), and for the downside scenario the PDs and LGDs are each increased by 30%.

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 50%, the upside scenario 15% and the downside scenario 35%, 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 23%, and for the downside scenario the PDs and LGDs are each increased by 30%.

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 there is no change in house prices, 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, or where customers have encountered severe financial difficulties 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 35% 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 2024, 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 and cash equivalents and money market placements increases from 30% to 50%), coupled with a 20% decrease in the weighting of the base scenario, would result in an increase of $594,062 in the impairment provision. Applying a weighting of 100% to the downside scenario would result in an increase of $2,620,765 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 $5,188,804, whilst a 10% reduction in the downside scenario would result in the provision being decreased by $5,188,804.

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.

27. Financial instruments (Group) continued

d. Credit risk continued

Credit risk exposure

Maximum exposure to credit risk – financial instruments subject to impairment

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.

	31 December 2024 **$**	31 December 2023 $
Cash and cash equivalents	302,842,905	463,780,357
Money market placements	13,252,505	7,158,534
Investment securities	2,315,673,331	1,023,445,451
Loans to customers:		
Retail loans (including retail mortgages)	167,648,341	162,955,692
Corporate loans (including corporate mortgages)	1,502,145,233	1,360,188,237
Loans to banks	1,774,689,997	1,376,219,992
	6,076,252,312	**4,393,748,263**
Guarantees	22,132,195	2,407,744
Other commitments	24,585,761	10,181,798
Letters of credit	207,917,510	311,948,683
Maximum credit risk exposure	**6,330,887,778**	**4,718,286,488**

The Bank's maximum exposure to credit risk before allowing for collateral held was $6,330,887,778 (2023: $4,718,286,488), these amounts include all financial assets and commitments. The credit risk exposure contains impaired exposures made up of property loans of $12,751,134 (2023: $9,728,828) which were fully collateralised, loans and advances to banks of $32,259,096 (2023: $Nil) which were collateralised by treasury bills of $5,202,213 and trade loans of $75,318,996 (2023: $78,340,256) which were collateralised by credit insurance of $49,905,384 (2023: credit insurance of $46,386,514).

As at 31 December 2024, the Bank's maximum exposure to credit risk after allowing for collateral held was $4,016,810,683 (2023: $2,573,605,493).

Total trade-related exposure was $3,365,750,358 (2023: $2,938,527,604) against which the Bank had cash collateral of $1,175,880,236 (2023: $831,771,868) and Nigerian Treasury Bills and Federal Government of Nigeria Bonds of $251,356,271 held with Access Bank Plc (2023: $130,286,292).

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 and cash equivalents 2024 ECL Staging	**Stage 1 12-month ECL $**	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Credit grade				
Investment grade	292,945,337	–	–	292,945,337
Standard monitoring	9,907,183	–	–	9,907,183
Gross carrying amount	**302,852,520**	**–**	**–**	**302,852,520**
Loss allowance	(9,615)	–	–	(9,615)
Carrying amount	**302,842,905**	**–**	**–**	**302,842,905**

Money market placements 2024 ECL Staging	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment grade	13,252,505	–	–	13,252,505
Standard monitoring	–	–	–	–
Gross carrying amount	**13,252,505**	**–**	**–**	**13,252,505**
Loss allowance	–	–	–	–
Carrying amount	**13,252,505**	**–**	**–**	**13,252,505**

Loans to customers 2024 ECL Staging	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Standard monitoring	1,551,240,901	–	–	1,551,240,901
Default	–	57,549,029	88,070,130	145,619,159
Gross carrying amount	**1,551,240,901**	**57,549,029**	**88,070,130**	**1,696,860,060**
Loss allowance	(1,362,900)	(25,413,612)	(289,974)	(27,066,486)
Carrying amount	**1,549,878,001**	**32,135,417**	**87,780,156**	**1,669,793,574**

Loans to banks 2024 ECL Staging	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment Grade	958,310	–	–	958,310
Standard monitoring	1,741,812,665	–	38,383,141	1,780,195,806
Gross carrying amount	**1,742,770,975**	**–**	**38,383,141**	**1,781,154,116**
Loss allowance	(340,074)	–	(6,124,045)	(6,464,119)
Carrying amount	**1,742,430,901**	**–**	**32,259,096**	**1,774,689,997**

Cash and cash equivalents 2023 ECL Staging	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment grade	463,784,048	–	–	463,784,048
Standard monitoring	11,945	–	–	11,945
Gross carrying amount	**463,795,993**	**–**	**–**	**463,795,993**
Loss allowance	(15,636)	–	–	(15,636)
Carrying amount	**463,780,357**	**–**	**–**	**463,780,357**

Money market placements 2023 ECL Staging	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment grade	6,589,725	–	–	6,589,725
Standard monitoring	568,809	–	–	568,809
Gross carrying amount	**7,158,534**	**–**	**–**	**7,158,534**
Loss allowance	–	–	–	–
Carrying amount	**7,158,534**	**–**	**–**	**7,158,534**

27. Financial instruments (Group) continued
d. Credit risk continued
Credit risk exposure continued

Loans to customers **2023** **ECL Staging**	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Standard monitoring	1,449,313,581	12,145,764	–	1,461,459,345
Default	–	–	88,069,085	88,069,085
Gross carrying amount	**1,449,313,581**	**12,145,764**	**88,069,085**	**1,549,528,430**
Loss allowance	(1,073,251)	–	(25,311,250)	(26,384,501)
Carrying amount	**1,448,240,330**	**12,145,764**	**62,757,835**	**1,523,143,929**

Loans to banks **2023** **ECL Staging**	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Credit grade				
Investment Grade	2,989,500	–	–	2,989,500
Standard monitoring	1,373,407,150	–	–	1,373,407,150
Gross carrying amount	**1,376,396,650**	**–**	**–**	**1,376,396,650**
Loss allowance	(176,658)	–	–	(176,658)
Carrying amount	**1,376,219,992**	**–**	**–**	**1,376,219,992**

Maximum exposure to credit risk – financial instruments not 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).

	31 December 2024 **$**	31 December 2023 $
Derivative financial instruments	**3,506,088**	1,742,483
Other financial assets not subject to impairment	**17,204,465**	16,918,639

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 banks 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 $125,990,173 as at 31 December 2024 (2023: $120,506,000).

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:

2024

Credit-impaired assets	Gross exposure $	Impairment allowance $	Carrying amount $
Loans to customers:			
Term loans	130,993,139	25,703,586	105,289,553
Mortgages	14,626,020	–	14,626,020
Loans to banks:			
Term loans	38,383,141	6,124,045	32,259,096
Total credit-impaired assets	**184,002,300**	**31,827,631**	**152,174,669**

2023

Credit-impaired assets	Gross exposure $	Impairment allowance $	Carrying amount $
Loans to customers:			
Term loans	78,340,256	25,311,250	53,029,006
Mortgages	9,728,828	–	9,728,828
Total credit-impaired assets	**88,069,084**	**25,311,250**	**62,757,834**

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 and cash equivalents	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2024	15,634	–	–	15,634
New financial assets originated	1,127	–	–	1,127
Total net P&L charge during the period	**16,761**	**–**	**–**	**16,761**
Changes in PDs/LGDs/EADs	(7,146)	–	–	(7,146)
Total net P&L charge during the period	**(7,146)**	**–**	**–**	**(7,146)**
Loss allowance as at 31 December 2024	**9,615**	**–**	**–**	**9,615**

27. Financial instruments (Group) continued

d. Credit risk continued

Money market placements	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2024	–	–	–	–
New financial assets originated	–	–	–	–
Changes in PDs/LGDs/EADs	–	–	–	–
Repayments	–	–	–	–
Total net P&L charge during the period	**–**	**–**	**–**	**–**
Loss allowance as at 31 December 2024	**–**	**–**	**–**	**–**

Investment securities	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2024	–	–	–	–
Changes in PDs/LGDs/EADs	–	–	–	–
Total net P&L charge during the period	**–**	**–**	**–**	**–**
Loss allowance as at 31 December 2024	**–**	**–**	**–**	**–**

Loans to customers	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2024	1,073,251	–	25,311,250	26,384,501
Transfers:				
Stage 1 to Stage 2	(54,439)	54,439	–	–
Stage 1 to Stage 3	–	–	–	–
Stage 2 to Stage 3	–	–	–	–
Repayments	–	–	–	–
Changes in PDs/LGDs/EADs	289,642	235,535	3,713,053	4,238,230
New financial assets originated	54,446	–	–	54,446
Total net P&L charge during the period	**289,649**	**289,974**	**3,713,053**	**4,292,676**
Write-offs	–	–	(3,610,691)	(3,610,691)
Loss allowance as at 31 December 2024	**1,362,900**	**289,974**	**25,413,612**	**27,066,486**

Loans to Banks	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2024	176,658	–	–	176,658
Transfers:				
Stage 1 to Stage 3	–	–	6,124,045	6,124,045
New financial assets originated	118,358	–	–	118,358
Change in PDs/LGDs/EADs	45,058	–	–	45,058
Total net P&L charge during the period	**163,416**	**–**	**6,124,045**	**6,287,461**
Loss allowance as at 31 December 2024	**340,074**	**–**	**6,124,045**	**6,464,119**

Contingents	**Stage 1 12-month ECL $**	**Stage 2 lifetime ECL $**	**Stage 3 lifetime ECL $**	**Total $**
Loss allowance as at 1 January 2024	292,128	–	–	292,128
New financial assets originated	260,725	–	–	260,725
Total net P&L charge during the period	**260,725**	**–**	**–**	**260,725**
Loss allowance as at 31 December 2024	**552,853**	**–**	**–**	**552,853**

Cash and cash equivalents	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	413	–	–	413
Total net P&L charge during the period	**413**	**–**	**–**	**413**
Changes in PDs/LGDs/EADs	15,221	–	–	15,221
Loss allowance as at 31 December 2023	**15,634**	**–**	**–**	**15,634**

Money market placements	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	41	–	–	41
New financial assets originated	–	–	–	–
Changes in PDs/LGDs/EADs	(41)	–	–	(41)
Repayments	–	–	–	–
Total net P&L charge during the period	**(41)**	**–**	**–**	**(41)**
Loss allowance as at 31 December 2023	**–**	**–**	**–**	**–**

Investment securities	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	4,481	–	–	4,481
Changes in PDs/LGDs/EADs	(4,481)	–	–	(4,481)
Total net P&L charge during the period	**(4,481)**	**–**	**–**	**(4,481)**
Loss allowance as at 31 December 2023	**–**	**–**	**–**	**–**

Loans to customers	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	775,786	18,442	42,887,946	43,682,174
Transfers:				
Stage 1 to Stage 2	–	–	–	–
Stage 1 to Stage 3	–	(18,442)	18,442	–
Stage 2 to Stage 3	–	–	–	–
Repayments	(624,900)	–	–	(624,900)
Change in PDs/LGDs/EADs	210,653	–	7,380,302	7,590,955
New financial assets originated	711,712	–	–	711,712
Total net P&L charge during the period	**297,465**	**(18,442)**	**7,398,744**	**7,677,767**
Write-offs	–	–	(24,975,440)	(24,975,440)
Loss allowance as at 31 December 2023	**1,073,251**	**–**	**25,311,250**	**26,384,501**

27. Financial instruments (Group) continued

d. Credit risk continued

Loans to banks	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	80,341	–	–	80,341
Transfers:				
Repayments	(76,967)	–	–	(76,967)
New financial assets originated	53,943	–	–	53,943
Change in PDs/LGDs/EADs	119,341	–	–	119,341
Total net P&L credit during the period	**96,317**	**–**	**–**	**96,317**
Loss allowance as at 31 December 2023	**176,658**	**–**	**–**	**176,658**

Contingents	Stage 1 12-month ECL $	Stage 2 lifetime ECL $	Stage 3 lifetime ECL $	Total $
Loss allowance as at 1 January 2023	139,344	–	–	139,344
New financial assets originated	152,784	–	–	152,784
Total net P&L charge during the period	**152,784**	**–**	**–**	**152,784**
Loss allowance as at 31 December 2023	**292,128**	**–**	**–**	**292,128**

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.

Concentration by sector	**31 December 2024 $**	31 December 2023 $
Banks	2,938,155,373	1,504,537,023
Corporate	2,668,954,295	1,361,599,152
Government/multilateral development banks	320,738,302	1,383,299,861
Retail	169,114,898	162,973,349
	6,096,962,868	**4,412,409,385**

Concentration by location	**31 December 2024 $**	31 December 2023 $
Africa	2,991,419,690	2,558,328,954
America	2,650,356,644	1,115,545,074
Europe	363,517,433	639,034,434
Other	91,669,101	99,500,923
	6,096,962,868	**4,412,409,385**

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

Included within the concentration by sector table – Corporate – are the following industry-related exposures:

Corporate concentration by industry	31 December 2024 $	31 December 2023 $
Finance and Insurance	1,184,924,634	13,950,688
General Commerce	599,094,319	695,814,788
Information and Communication	179,474,701	191,836,023
Power and Energy	186,848,978	201,877,857
Other	518,611,663	258,119,796
	2,668,954,295	**1,361,599,152**

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 2024, 100% of the Bank's cash and money market placements were held with financial institutions, with Fitch ratings of A- or above (2023: 100%).

Included within the geographical analysis – others and sectorial analysis – corporate are Stage 3 credit impaired loans with a gross balance of $70,001,275 (2023: $76,198,779) and expected credit loss of $25,413,612 (2023: $25,311,250) respectively.

Included within the geographical analysis – Europe and sectorial analysis – corporate are Stage 3 credit impaired loans with a gross balance of $8,039,660 (2023: $6,622,445) and expected credit loss of $Nil (2023: $Nil) respectively.

Included within the geographical analysis – Africa and sectorial analysis – retail are Stage 3 credit impaired loans with a gross balance of $5,843,196 (2023: $3,156,311) and expected credit loss of $Nil (2023: $Nil) respectively.

Included within the geographical analysis – Africa and sectorial analysis – banks are Stage 3 credit impaired loans with a gross balance of $38,383,141 (2023: $Nil) and expected credit loss of $6,124,045 (2023: $Nil) respectively.

Included within the geographical analysis – Europe and sectorial analysis – retail are Stage 3 credit impaired loans with a gross balance of $1,228,885 (2023: $2,091,550) and expected credit loss of $Nil (2022: $Nil) respectively.

Included within the geographical analysis – America – retail are Stage 3 credit impaired loans with a gross balance of $2,957,114 (2023: $Nil) and expected credit loss of $Nil (2023: $Nil) respectively.

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.

27. Financial instruments (Group) continued

e. Market risk continued

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.

2024	**Sterling $**	**US dollars $**	**Euro $**	**Other currencies $**	**Total $**
Assets	413,849,785	5,545,604,774	121,853,903	12,148,318	6,093,456,780
Liabilities	(622,906,162)	(4,593,990,353)	(72,743,330)	(644,851)	(5,290,284,696)
Foreign exchange forward contracts	206,069,472	(173,403,221)	(31,558,497)	(1,107,754)	–
Net financial (liabilities)/assets	**(2,986,905)**	**778,211,200**	**17,552,076**	**10,395,713**	**803,172,084**

2023	Sterling $	US dollars $	Euro $	Other currencies $	Total $
Assets	516,188,797	3,829,651,602	60,514,729	6,054,257	4,412,409,385
Liabilities	(562,565,225)	(3,105,756,679)	(61,389,668)	(1,823,051)	(3,731,534,623)
Foreign exchange forward contracts	494,912	(498,313)	(256,361)	259,762	–
Net financial (liabilities)/assets	**(45,881,516)**	**723,396,610**	**(1,131,300)**	**4,490,968**	**680,874,762**

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	**31 December 2024 $**	31 December 2023 $
Increase	1,514,000	1,563,000
Decrease	(1,598,000)	(1,639,000)

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.

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.

2024 **Assets**	**Less than 3 months** **$**	**Between 3 & 12 months** **$**	**More than 12 months** **$**	**Carrying amount** **$**
Cash and cash equivalents	302,616,403	226,502	–	302,842,905
Money market placements	12,735,923	516,582	–	13,252,505
Derivative financial instruments	3,112,411	393,677	–	3,506,088
Other financial assets	8,598,486	8,605,982	–	17,204,468
Investment securities	2,311,577,996	4,095,335	–	2,315,673,331
Loans and advances to banks	849,731,533	922,437,442	2,521,022	1,774,689,997
Loans and advances to customers	750,169,696	497,641,994	421,981,884	1,669,793,574
Total assets	**4,238,542,448**	**1,433,917,514**	**424,502,906**	**6,096,962,868**

2024 **Liabilities**	**Less than 3 months** **$**	**Between 3 & 12 months** **$**	**More than 12 months** **$**	**Carrying amount** **$**
Customer deposits	961,239,021	449,788,194	138,926,238	1,549,953,453
Deposits from banks	2,752,454,529	967,773,814	–	3,720,228,343
Other financial liabilities	13,483,064	1,895,571	4,724,265	20,102,900
Derivative financial instruments	5,929,579	4,065,680	–	9,995,259
Total liabilities	**3,733,106,193**	**1,423,523,259**	**143,650,503**	**5,300,279,955**

Included in cash and cash equivalents is an amount of $256,488,392 (2023: $355,659,976) 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 $1,992,158,871 (2023: $1,018,686,083), also held to manage liquidity and meet the Bank's liquidity requirements, which consists of indirect exposures to US Treasuries through investment in the BlackRock US Treasury Fund.

2023 Assets	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Cash and cash equivalents	463,780,357	–	–	463,780,357
Money market placements	6,641,850	516,684	–	7,158,534
Derivative financial instruments	1,025,766	716,717	–	1,742,483
Other financial assets	5,657,378	8,568,174	2,693,087	16,918,639
Investment securities	1,018,686,084	–	4,759,367	1,023,445,451
Loans and advances to banks	798,751,090	574,946,552	2,522,350	1,376,219,992
Loans and advances to customers	824,933,075	416,644,891	281,565,963	1,523,143,929
Total assets	**3,119,475,600**	**1,001,393,018**	**291,540,767**	**4,412,409,385**

2023 Liabilities	Less than 3 months $	Between 3 & 12 months $	More than 12 months $	Carrying amount $
Customer deposits	554,706,220	455,792,930	441,146,378	1,451,645,528
Deposits from banks	867,005,583	898,518,072	490,205,806	2,255,729,461
Other financial liabilities	22,344,726	65,745	–	22,410,471
Derivative financial instruments	1,749,163	–	–	1,749,163
Total liabilities	**1,445,805,692**	**1,354,376,747**	**931,352,184**	**3,731,534,623**

Included in other financial liabilities are lease liabilities of $7,268,531 (2023: $2,194,027).

27. Financial instruments (Group) continued

g. Capital management (Bank)

Capital is defined as the total of share capital, share premium, retained earnings and other reserves. Total capital at 31 December 2024 was $784,904,570 (2023: $682,304,125). Regulatory capital is determined in accordance with the requirements of the PRA in the UK. Total regulatory capital as at 31 December 2024, including 2024 profit after tax, was $750,775,693 (2023: $676,943,850).

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 2024 in accordance with these definitions as laid out in the table below:

Capital Resources	**31 December 2024** **$**	31 December 2023 $
Tier one capital		
Shareholders' funds	784,904,570	682,304,125
Less:		
Investment in subsidiary	(22,224,000)	–
Intangible assets	(8,596,031)	(4,658,030)
Other adjustments	(3,308,846)	(702,245)
Total tier 1 capital	**750,775,693**	**676,943,850**
Total regulatory capital	**750,775,693**	**676,943,850**

28. Share Capital (Bank & Group)

Bank	**Ordinary Shares** **No. of shares**	**Ordinary Shares** **Amount** **$**
As at 1 January 2024	295,539,882	372,380,250
As at 31 December 2024	295,539,882	372,380,250
As at 1 January 2023	216,174,802	272,380,250
As at 31 December 2023	295,539,882	372,380,250

Group	**Ordinary Shares** **No. of shares**	**Ordinary Shares** **Amount** **$**
As at 1 January 2024	295,539,882	372,380,250
As at 31 December 2024	295,539,882	372,380,250
As at 1 January 2023	216,174,802	272,380,250
As at 31 December 2023	295,539,882	372,380,250

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, which resulted in a negative currency translation reserve balance of $5,013,563. 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 2024, the Bank did not issue any additional ordinary shares. As at 31 December 2024, the issued share capital comprised 295,539,882 ordinary shares (2023: 295,539,882) with a par value of $1.26 (2023: $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.

The Bank also has other reserves with a negative balance of $85,871 (2023: $1,234,202) in relation to the Bank's staff share-based payment scheme. In addition, the Group has other reserves with a negative balance of $1,394,980 (2023: $Nil) in relation to the subsidiary's share capital currency translation reserves.

29. Related party transactions (Bank & Group)

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:

	Bank 31 December 2024 $	Bank 31 December 2023 $	**Group 31 December 2024 $**	Group 31 December 2023 $
Fee and commission income				
Parent bank	3,937,603	3,012,196	3,937,603	3,012,196
Fellow subsidiaries	274,674	22,453	274,674	22,453
	4,212,277	**3,034,649**	**4,212,277**	**3,034,649**
Interest income				
Parent bank	22,599,489	29,913,783	22,599,489	29,913,783
Fellow subsidiaries	1,190,016	1,857,174	1,190,016	1,857,174
	23,789,505	**31,770,957**	**23,789,505**	**31,770,957**
Interest expense				
Parent bank	51,980,621	35,816,526	51,980,621	35,816,526
Fellow subsidiaries	373,730	206,977	373,730	206,977
	52,354,351	**36,023,503**	**52,354,351**	**36,023,503**

Bank	**31 December 2024 $**	31 December 2023 $
Assets		
Amounts due from parent bank	634,811,796	425,365,677
Amounts due from fellow subsidiaries	15,174,063	33,429,080
Amounts due from subsidiaries	931,796	–
	650,917,655	**458,794,757**
Liabilities		
Amounts due to parent bank	2,162,248,263	1,226,539,573
Amounts due to fellow subsidiaries	29,272,719	21,157,379
	2,191,520,982	**1,247,696,952**

Group	**31 December 2024 $**	31 December 2023 $
Assets		
Amounts due from parent bank	634,811,796	425,365,677
Amounts due from fellow subsidiaries	15,174,063	33,429,080
	649,985,859	**458,794,757**
Liabilities		
Amounts due to parent bank	2,162,248,263	1,226,539,573
Amounts due to fellow subsidiaries	29,272,719	21,157,379
	2,191,520,982	**1,247,696,952**

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. No set off has occurred in 2024 or 2023 with all transactions being reported on a gross basis and settled on a gross basis.

29. Related party transactions (Bank & Group) continued

Deposits by Directors of the parent bank as at 31 December 2024 were $756,585 (2023: $1,367,476) with the largest deposit as at year end being $442,756 (2023: $404,642).

There were five mortgage facilities approved or advanced to Directors of the parent bank in 2024 with a fair value balance of $1,506,998 at year end (2023: $Nil).

There were six portfolio secured loans approved and advanced to Directors of the parent bank in 2024 with a fair value balance of $1,923,161 at year end. (2023: $Nil).

A dividend of $23,806,329 (2023: $19,793,000) was paid to the parent bank during the reporting year. The Directors approved a final dividend of $Nil (2023: $2,652,411 on 5 April 2024) in respect of the reporting year.

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

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

30. Fair value of financial instruments (Bank & Group)

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 2024 and 2023.

For details of the fair value hierarchy please refer to page 29.

31. Subsidiary undertakings (Bank & Group)

The Bank has established six wholly owned subsidiaries, five of which did not trade during 2024 (2023: All subsidiaries did not trade). For these five non-trading entities the Bank has taken advantage of the exemption in the Companies Act 2006 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. The Bank has incorporated the financial results of the only trading entity into the Group consolidated financial statements and notes.

Entity Name	Country of incorporation	Registered Office	Class of Share Capital	Ownership %	Voting Rights	Nature of Business
The Access Bank UK Nominees Ltd	UK	4 Royal Court, Gadbrook Park, Northwich, Cheshire, CW9 7UT	Ordinary Shares	100%	Full	Dormant
The AB EBT Limited	UK	4 Royal Court, Gadbrook Park, Northwich, Cheshire, CW9 7UT	Ordinary Shares	100%	Full	Dormant
The Access Group Hong Kong Ltd	Hong Kong	17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong	Ordinary Shares	100%	Full	Dormant
The Access Group Holdings Malta Limited	Malta	Level 4, Piazzetta, Business Plaza Tower Road, Slm 1605, Sliema	Ordinary Shares	100%	Full	Holding Company
The Access Bank Malta Limited	Malta	Level 4, Piazzetta, Business Plaza Tower Road, Slm 1605, Sliema	Ordinary Shares	100%	Full	Banking
Access Holdings Mauritius	Mauritius	12th Floor, Nexteracom, Tower 1 Rue Du Savoir Cybercity, Ebene, Mauritius	Ordinary Shares	100%	Full	Dormant

32. Ultimate Parent Company and controlling party (Bank & Group)

The Bank's immediate 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 Bank's ultimate parent and controlling party is Access Holdings Plc, a financial services holding company incorporated in Nigeria. The Access Holdings Plc Group financial statements are available on the Group's website at www.theaccesscorporation.com

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