ACCESS BANK (GHANA) LIMITED
ANNUAL REPORT AND ACCOUNTS 2013

SPEED SERVICE SECURITY

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CONTENTS

1. OVERVIEW

2. BUSINESS REVIEW

3. CORPORATE GOVERNANCE

4. FINANCIAL STATEMENTS

5. CORPORATE DIRECTORY

INVESTING IN COMMUNITIES

At Access Bank, we've made it our business to invest in the communities within which we operate. That is why over the past 4 years, we've made progressive investments across Ghana to improve the livelihoods of people in 7 out of the 10 regions.

Our sustainable investments are supported by a workforce of over 800 volunteers who constantly devote their time and resources to change lives and impact all the key sectors of the Bank's community investment programme - Education, Health, Environment, Arts and Social upliftment.


1 HEALTH
2 EDUCATION
3 SOCIAL WELFARE
4 SPORTS

OVERVIEW

BUILDING GHANA'S MOST RESPECTED BANK

Welcome to Access Bank Ghana

After five years of operating in Ghana, Access Bank is now positioned to be one of the leading banks in the country. Our strategy for the next five years will see us deepen our share in the retail banking segment of the market.

As an enabler for our new strategic direction, our brand strategy has been reviewed to give a fresh impetus to the brand, in consonance with our renewed focus on retail banking. These are very exciting times for us.

Accordingly, we are transforming the Bank operationally and culturally. Our principles,processes and products are directed towards delivering Speed, Service and Security to all our customers.

We are committed now more than ever to show true leadership, take responsibility for delivering value to our stakeholders, in all that we do.

Leadership

We apply international best practices, pioneer new standards, break new grounds and challenge the status quo. We are determined to build Ghana's most respected bank.

Responsibility

We see it as our duty to help grow local communities and the real economy. We are determined to balance economic, environmental and social considerations in our work.

Performance

We surpass our targets, set new records and create new values in our industry and beyond. We have overcome many hurdles and are the best in all that we do.

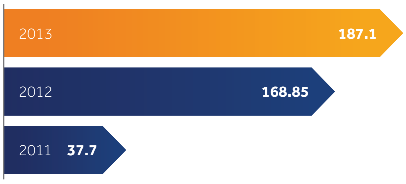
PERFORMANCE HIGHLIGHTS

After establishing our banking business in 2009, we have grown in operational ability and enhanced our capacity to deliver superior returns to our stakeholders.

Our performance over the past three years is evidenced by a year-on-year growth across key financial indicators.

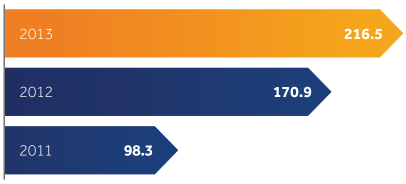
Gross Earnings
GHS'Million

+11%



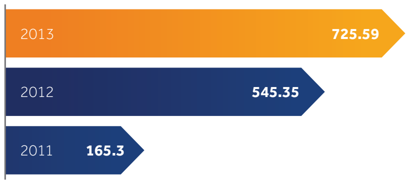
Shareholders' funds
GHS'Million

+27%



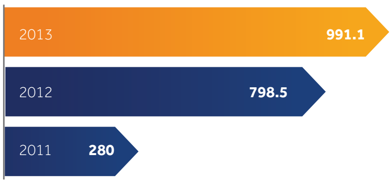
Customers' Deposits
GHS'Million

+33%



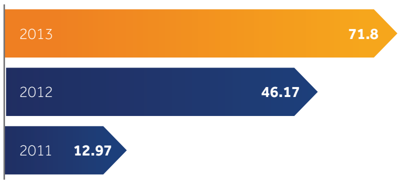
Total Assets
GHS'Million

+24%



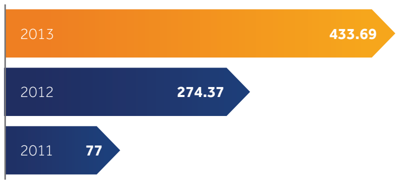
PBT
GHS'Million

+56%



Net Loans & Advances
GHS'Million

+58%



EPS
GHS'Million

+21%

Pre-Tax ROE
GHS'Million

+6%

LOCATIONS AND OFFICES

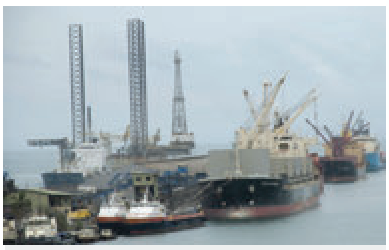
We are the Best Growing Bank in Ghana today, and we continue to serve nearly the entire population in major commercial centres and cities.

1 Northern Region

Locations	1
Employees	18
Number of Accounts	12,331

4 Ashanti Region

Locations	5
Employees	59
Number of Accounts	14,670

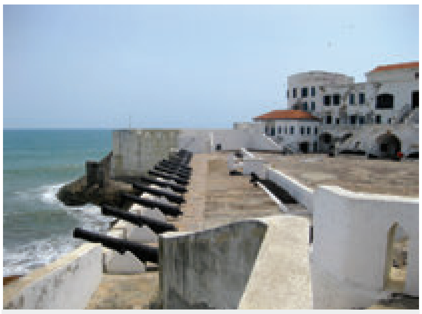


7 Western Region

Locations	4
Employees	45
Number of Accounts	16,872

2 Eastern Region

Locations	1
Employees	2
Number of Accounts	0



5 Central Region

Locations	1
Employees	2
Number of Accounts	0

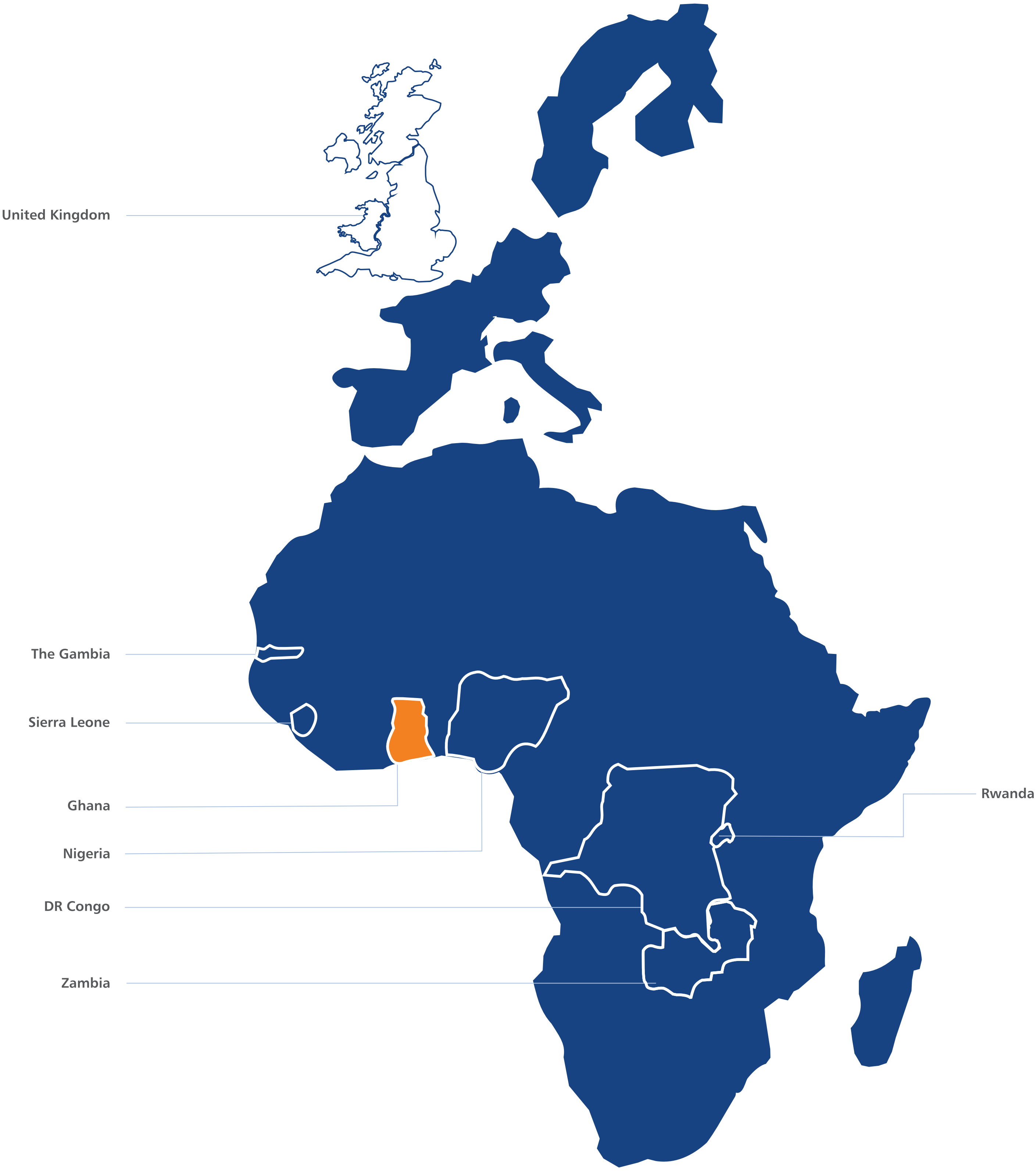
3 Greater Accra Region

Locations	26
Employees	600
Number of Accounts	129,948

6 Brong Ahafo Region

Locations	1
Employees	15
Number of Accounts	5,545

INTERNATIONAL NETWORK



CHAIRMAN'S STATEMENT

" In 2013, your Bank consolidated achievements of the previous year to ensure that a sustainable banking franchise is built to deliver value for our shareholders and customers."

FRANK W.K. BEECHAM
Board Chairman

Distinguished Shareholders,

On behalf of the Board of Directors, the Management and Staff of Access Bank (Ghana) Limited, I welcome you to the 6th Annual General Meeting of your Bank. Since this is my maiden statement to you as Chairman, please permit me to pay tribute to my predecessor, Mr Herbert Wigwe, for his tenacity, leadership and drive, especially during the merger with Intercontinental Bank (Ghana) Ltd and the immediate aftermath. Happily for your Bank, Herbert is still on your Board. My appointment as Chairman of the Board fills me with a deep sense of pride and privilege. Let me acknowledge publicly the tremendous goodwill and support I have received from my colleague directors who are themselves leaders and seasoned experts in their respective fields. I am confident that together, we shall steer your Bank to the next phase in its transformation agenda.

In 2013, your Bank brought closure to the merger and integration processes with the erstwhile Intercontinental Bank (Ghana) Ltd. We believe, by this feat a new entrant has joined Ghana's leading banks and is presently ranked in the second tier. Our consistent growth in key industry indices and business expansion contributed to your Bank being adjudged winner of several industry awards in the year under review, including:

- 2013 Top Emerging Brand
- 3rd Most Respected Bank in Ghana (Ghana Club 100)
- 2012 Best Growing Bank in Ghana

Economic Review 2013

The weak external environments within which your Bank operated was compounded by a huge government budget deficit resulting from wage overruns and rising interest costs, among others. The cedi depreciated about 20% whilst inflation increased from 10.1% in January to 13.5% in December.

Ghana's sovereign credit rating was also downgraded by International Risk rating agencies such as Fitch from B+ to B, with a negative outlook. It is likely that Ghana's economy will bounce back in the 2nd quarter of 2014 but with slower than expected growth.

Growth opportunities

In 2013, your Bank began the process of stabilisation, consolidation and growth. We have been working hard to consolidate our retail franchise, whilst deepening our Corporate Banking Business.

To facilitate growth, your Bank has adopted a 5-year medium-term strategy (2014 to 2018). The strategy which focuses primarily on increasing your Bank's stake in the Ghanaian retail market is expected to propel Access Bank (Ghana) Ltd into one of the leading banks in the country within the next five years. Your Bank's logo and brand has also been reviewed to give a fresh impetus to the brand, in consonance with our renewed focus on retail banking.

We plan to be a high performing Ghanaian bank with a diversified banking portfolio. In the coming months, we will invest heavily in expanding our Retail Banking Business. This will span branch expansion and channels, operational infrastructure, robust technology and stringent risk management structures.

Financial Performance

I am delighted to report that 2013 was a reasonably good year for your Bank. Despite uncertain global economic conditions, increased competition in the marketplace and perceived slowdown in the first half of 2013, your Bank posted a strong financial performance. These results are a demonstration of our resolve and ability to deliver substantial value to our esteemed shareholders and other stakeholders.

- Gross Earnings grew by 11% to GH¢187.1 million
- Profit Before Tax increased by over 56 percent to GH¢71.8 million
- Total Assets grew to GH¢991.1 million, an increase of 24%

On the basis of these results and our belief and confidence in your Bank, the Board will be proposing at this meeting, the payment of a dividend of GH¢0.096 per share to all shareholders. This is the first time your Bank is seeking to perform this sacred obligation to its esteemed shareholders and this will certainly not be the last! We intend to pursue a dividend payment policy, taking into account all regulatory requirements, in recognition of your support and trust.

Board of Directors

It is my honour and joy to announce that Ms Abena Amoah and Mr Ernest Mintah joined the Board as non-executive directors in 2013. Ms Amoah, an accomplished financial and investment advisor and guru, brings many years of work experience to enrich the capacity of the Board. Mr Mintah joins the board with over 3 decades of experience, working in the banking and finance sectors in the United States of America and Ghana.

With sadness, the Board had to accept the resignations of Messrs Taukeme Koroye and Obeahon Ohiwerei as directors at the end of the year. We thank them for their contribution to the Bank's growth and position, and wish them well in their pursuit of interests outside your Bank.

Corporate Governance

Our governance and risk-management frameworks remain strong and robust. They are serving us well as we pursue opportunities to drive long-term growth and value. The Board is confident your Bank has the appropriate capacity to protect and safeguard the interests of its depositors and shareholders at all times.

Once again, we reiterate our "commitment to ensuring that the highest levels of compliance standards are enforced within the Bank in line with the best global practices".

Conclusion

At this juncture, and on behalf of the Board of Directors, may I extend our gratitude and sincere appreciation to the Management and Staff of the Bank for their endeavours that have produced this splendid performance. We commend you, our shareholders, for keeping faith with us. We salute our customers and other stakeholders for their continuous support, without which our modest achievements would have been impossible. To the Bank of Ghana, we are grateful for your guidance and support.
As a Board we remain committed to continuous improvement in every sphere of our business. With your continued trust and confidence in us, we look forward with great excitement to an even better performance in the years ahead.

We thank God for giving us a good year and pray for more successful and fulfilling years ahead.

Frank W. K. Beecham
Chairman

"We reiterate our commitment to ensuring that the highest levels of compliance standards are enforced within the Bank in line with the best global practices". - FRANK W. K. BEECHAM
Board Chairman

MANAGING DIRECTOR'S REVIEW

" Our compelling vision and corporate philosophy motivates us to strive for the highest standards."

DOLAPO OGUNDIMU
Managing Director

Five years after we started operating in Ghana, we have clearly attained the scale and standards of an emerging banking franchise and are poised to join the league of top tier banks. If the recent past is anything to go by, then our recognition as Best Growing Bank and Top Emerging Brand in the banking industry as well as our inclusion in the Ghana Club 100, gives us the impetus to achieve our vision with enthusiasm.

I am, therefore, seizing this opportunity to express sincere appreciation to our customers, shareholders, staff and other important stakeholders who have been our patrons, partners and supporters through this journey, of successful growth and in the advancement of the Access Bank franchise in Ghana respectively.

Undoubtedly, as in all emerging countries, Ghana is currently experiencing her own share of economic challenges. As a Bank whose foundation is well grounded in a sound enterprise risk management framework and sound corporate governance structures, I have no doubt that our business practices are sustainable and would see Access Bank overcome the current harsh economic climate in the long run.

The next five years represent another phase in our transformation. We are beginning the next chapter of our growth from 2014 to 2018, with a new 5-year strategy, following the successful implementation of the first 5-year plan.

We intend to achieve our vision to be the "Most Respected Bank" in Ghana by entrenching ourselves within the very top position in all markets we choose to serve.

This year, a new brand identity consistent with our strategy will be unveiled in support of this renewed vision to provide a refreshing dimension to our brand. Our customers will remain at the heart of our business as we continue to enhance their customer experience with our new service promise of **speed, service and security.** In doing this, we shall improve our transaction processing; ensure that they experience an enhanced level of customer satisfaction; and deliver all of this in a completely secure way.

Consistent with this new strategy, we have now realigned and are repositioning our Retail Banking Division into Personal and Business Banking Groups that are employing a segmented approach built on robust Customer Relationship Management platforms, to deliver superior services to our customers. With additional focus on segments of the retail market that require special banking needs, we have in the pipeline a bouquet of innovative and industry redefining products and service delivery channels, which, when fully implemented, would give the most desired customer experience.

In the same vein, our corporate customers will be enjoying more convenience with the introduction of various technology-based products that would enhance their operational efficiencies in terms of turnaround time and cost reduction respectively.

In line with Access Bank's customer-centred strategy, a 24-hour Contact Centre will soon be launched as a first line of support for all our customers. The Contact Centre will be a multi-channel platform comprising a call centre, e-mail, website inquiries and live online chats where all customers' requests and enquires are addressed. This first-class Contact Centre is also being completed with an increase in our network of locations in our quest for more financial inclusion and nearness of service outlets for our various customers.

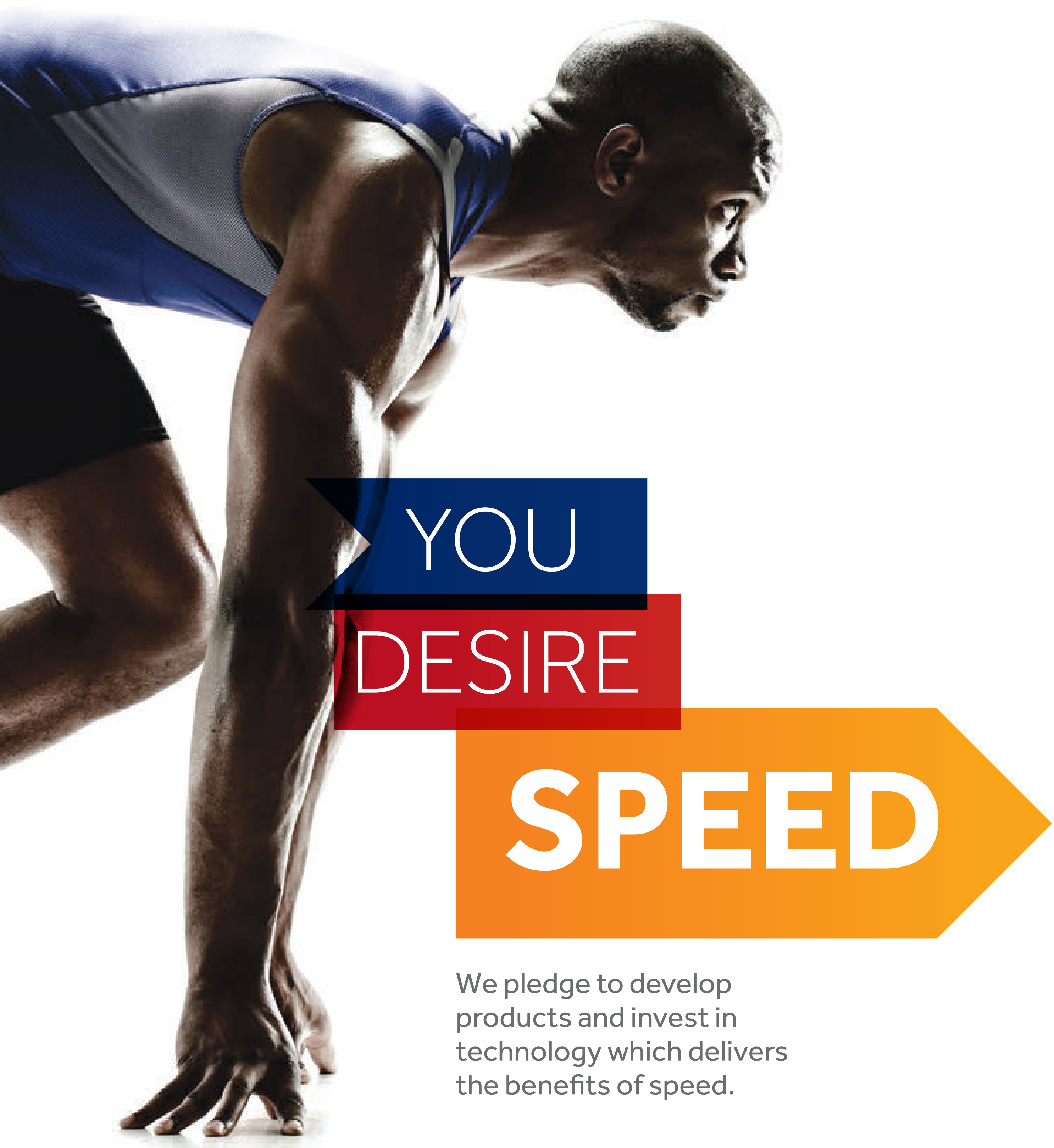
Consistent with our core value of 'Empowered Employees', our Bank continues to maintain an environment that allows employees to aspire to be the best. As in the previous year, employees shall continue to receive both local and international training across all levels and functions to acquire the skills they require to become world-class professionals and contribute effectively to the dynamic and sustainable working environment that we are building.

Looking ahead, there are exciting opportunities for our banking franchise despite the obvious current challenging economic situation. Based on our optimism, we shall continue, though cautiously, to consistently invest in infrastructure, structures, processes and people to provide the level of service that would ensure consistency with our vision of being the Most Respected Bank in our operating environment.

I wish to assure our stakeholders that we shall continue to remain competitive in this market and will be delivering sustainable value for all our stakeholders including Government, the private sector and the communities in which we operate.

Thank you and God bless.

Dolapo Ogundimu
Managing Director



We pledge to develop products and invest in technology which delivers the benefits of speed.

BUSINESS REVIEW

CORPORATE PHILOSOPHY

Our mission

Setting standards for sustainable business practices that unleash the talents of our employees, deliver superior value to our customers and provide innovative solutions for the markets and communities we serve.

Our core values

Excellence

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

Leadership

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

Passion for customers

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

Empowered employees

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

Professionalism

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

Innovation

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

2013 IN RETROSPECT

Highlights of key corporate events

Maiden Board Retreat: The Bank organised its first ever board retreat in Akosombo in February to develop a road map for actualising the Bank's objectives. The event brought together directors, key management personnel and resource persons from the Bank of Ghana and University of Ghana.

2013 Ghana Economic Forum: In line with its thought leadership role, the Bank partnered the Business & Financial Times in March to organise the 2nd Ghana Economic Forum at the Movenpick Hotel in Accra. The event brought together captains of industry and policy makers to deliberate on key issues relating to the country's economy.

Hajj donation: The Bank demonstrated its commitment once again to national events and the Muslim community as it supported the 2013 Hajj pilgrims with over GHS 130,000 worth of sponsorship in July. The Bank donated waist bags and sponsored the nationwide publicity for the pilgrimage.

5th Annual General Meeting: As part of its Corporate Governance requirements, the Bank held its 5th AGM at the Labadi beach hotel in April and together shared its vision with shareholders of the Bank.

Launch of Easy Access Promo: The Bank launched its first ever consumer promotion in a 3-month long campaign beginning in August. The campaign took the promotion team to road shows in Kumasi, Tamale and Takoradi. Over 25,000 customers participated and over 100 customers were rewarded.

Launch of Visa Prepaid Cards: In continuation of its role as a leader in electronic and card products, the Bank released its new VISA Prepaid cards to coincide with the hajj pilgrimage in August. Over 2,000 cards were issued for free to help pilgrims keep and access their monies safely.

Flower & Garden Fair: In furtherance of the Banks social and environmental policy, the Bank partnered Stratcomm Africa in September to organise the first ever flower and garden fair in Accra. The event promoted the use of horticulture as an economic tool and initiatives that make the environment conducive to live and work in.

Africa Innovation forum: In line with its strategic intent to be at the forefront of industry innovation, the Bank partnered the International Foundation for Africa Innovation (IFAI) in August to host the first ever Innovation forum in Accra. At the event, the MD of Access Bank Ghana called on African leaders to look inward for innovative ideas to solve age-old social and economic problems.

Accra Polo Tourney: Polo, regarded as the "Game of Kings", is one of the fastest growing sports in Ghana today ranking second only to golf after football. In line with Access Bank's policy to promote sustainable sports development, it sponsored a commemorative match for Nigeria's 54th Independence anniversary. The annual international tournament attracted the 5th Chukka Polo Club in Kaduna, Nigeria, who pitched their strength against their Ghanaian counterparts in a keenly contested game, interestingly won by the Access Bank-sponsored team from Nigeria.

AWARDS AND RECOGNITION

Best Growing Bank

The 12th Ghana Banking Awards adjudged Access Bank (Ghana) Limited as the "Best Growing Bank" in 2012. The award was based on the Bank's pace of integration, efficiency of balance sheet, industry ranking in profitability and increased branch network.

In 2010, Access Bank made its first entry into the Banking awards and was adjudged winner of two categories; Most Socially Responsible Bank and Best Bank in Agric, and 1st Runner Up in Best Bank in Financial Performance.

About the Ghana Banking Awards:

The Ghana Banking Awards is an annual industry award organised by Corporate Initiative Ghana (CIG). It gives public recognition to best performing banks in the country and helps to stimulate healthy competition amongst banks.

Top Emerging Brands Award

Access Bank (Ghana) was named the "Top Emerging Brand" in the banking industry at a ceremony organised by The Centre for Brand Analysis (TCBA). The award was based on strides the Bank had made in terms of innovation, growth and reputation in the past years.

About Top Emerging Brands Award:

The Top Emerging Brands Award is organised by The Centre for Brand Analysis (TCBA), a specialist brand research consultancy dedicated to the discipline of branding. The awards seek to identify the country's performing brands and showcase them to the world.

Ghana Club 100 Award

Access Bank (Ghana) was admitted into the prestigious Ghana Club 100 (GC 100), as the 3rd Most Respected Bank in Ghana. The Bank was admitted to the GC100 due to its consistent growth, excellent customer service and impressive financial performance.

The Ghana Club 100 is a multi-sectorial business grouping that represents Ghana's Top 100 companies.

About the GC100:

The GC 100 Awards is oraganised under the auspices of the Ghana Investment Promotion Centre (GIPC). Companies making it to the GC 100 are to serve as role models for the private sector and provide a forum for corporate Ghana to interact with the government at a high level.

INSTITUTIONAL BANKING

The Institutional Banking Division serves Multinationals and Large domestic clients across a variety of industry sectors. These include Cocoa & Exports, Energy & Oil services, Aviation & Hospitality, Mining, Construction, Maritime and Telecommunications.

In line with its vision to provide a high quality service to its customers, the Institutional Banking Division took strategic steps during the year to enhance its operations by realigning to latest changes within the Bank and the banking industry.

The division repositioned its business processes using Innovation and Turnaround Time as major drivers in reaffirming its position amongst key corporate customers in the economy.

During the year, our reputation as an emerging corporate player was reaffirmed, allowing us to forge productive partnerships with our customers and to play a role in strengthening their businesses. We strengthened our workforce of experienced professionals so that we can continue to serve the specific and growing needs of our customers.

Our bespoke products and services also ensured our impressive contribution to the Bank's profitability in the financial year under review, having already recorded significant growth across all our performance indices.

Key Highlights

Energy & Oil and Gas

Our Energy business currently is the second largest in the industry in terms of market share. Our team facilitated key transactions and import finance facilities to Government and the private sector for the supply of gas, petroleum products and efficient provision of utility services to all Ghanaians. This translated into an increase in the team's total assets base.

Syndication (risk participation) also accounted for a marked growth in the business as against a single obligor, which the bank relied on in 2012. In terms of portfolio, the oil and gas business grew by almost a hundred percent (100%) and this was attributable to its effective use of risk participation.

Telecommunications

Our Telecoms team increased its market share from 10% to over 45%. This steady improvement is attributable to the introduction of innovative products, and the use of speed and quality services to serve companies within the value chain.

Public Sector

Our Public Sector business continued to remain relevant in the division's set up and was competitive in the industry. The team successfully completed the following key activities during the year under review:

• Participated in loan syndications for key public sector institutions including the National Health Insurance Authority

• Facilitated a US$33million Import Finance Facility (IFF) for the Electricity Company of Ghana to supply electrical equipment including Prepayment Meters and other metering accessories.

• For the fifth consecutive year, Access Bank was appointed as the official Bank of the National Hajj Committee towards the 2013 Muslim pilgrimage. The Public sector team supported and facilitated this national event by assisting both pilgrims and agents by providing convenient payment channels for their travel fees.

- The team also partnered the Personal Banking team to issue over 2,000 Visa Prepaid cards to the pilgrims, enhancing the Bank's value-chain banking model.

COMMERCIAL BANKING

Our Commercial Banking Division is made up of seven distinctive market segments: FMCG, Commerce, Wholesale, Paper & chemicals, Manufacturing, Frozen Foods and Pharmaceuticals.

The Commercial Banking Division's portfolio focuses on local corporates and SMEs with annual turnovers of more than Five Million Ghana cedis.

This division is organised mainly by industry and geography into nine groups spread across Accra, Kumasi and Takoradi.

Our division is increasingly seen by customers as an enthusiastic supporter of sustainable development. The division has an equally strong record in training the Bank's portfolio analysts, account officers and relationship managers in understanding and assessing environmental risks when evaluating loan applications.

Key Highlights

- The FMCG team took full advantage of the growing demand for fast-moving consumer goods to improve the service delivery to players in that industry for enhanced profitability.

To derive the entire value-chain potentials inherent in this business sector, the Wholesale/Distributors team was also on hand to offer valued-added services to key distributors of FMCG importers/manufacturers.

- The Manufacturing team also continued to grow robustly, with a particularly improved support for export-oriented companies.

As a result, the Bank is ranked as one of the best collaborating banks under the Export Development and Agricultural Investment Fund (EDAIF) scheme.

- The Bank continued to remain a key partner for quality health delivery in the country, with the Pharmaceutical desk further growing its portfolio by actively supporting companies engaged in ethical drug and health-related products.

- Despite challenges faced particularly on the foreign exchange market – the mainstay of the Commercial Banking Group – in all the Group continued to be a key contributor to the overall impressive financial performance of the Bank.

RETAIL BANKING

The Retail Banking business has been reorganised into Personal and Business Banking to align with our transformational 5-year strategy, which places more emphasis on the bank's expanded retail franchise.

Business Banking

The Business Banking Division is a hybrid of both the Commercial and Personal Banking divisions. It focuses on small and medium scale enterprises, providing them with financial solutions, training and advisory services to support their growing business needs.

Created as a separate and strategic business unit, the division serves SMEs with annual turnovers of less than Five Million Ghana Cedis.

Most of the customers in this segment are SMEs, requiring special focus and services. Giving that, over 70 percent of companies and enterprises registered in Ghana fall within this category, the segment holds a huge promise and, at the same time, immense opportunity for the Bank to boost the local economy to foster socio-economic development.

Our commitment to this sector, will see us develop innovated products and services that cater to the peculiar needs of this market. Already, we have products such as the Mpower Biz in our bouquet of offerings, which gives SMEs zero COT on their account. We intend to build on this and also deploy extensive resources to ensure that we grow our SMEs to become local corporates and, ultimately, help them attain the status of Multinationals who can compete effectively in the global market space.

Our Market segments

- Educational institutions
- General Trading
- Professional firms and Religious organisations
- General services
- Transport and Mining support services

Personal Banking

The Personal Banking Division forms the retail segment of the Bank and delivers timely and innovative financial products and services to individuals. As the largest division, Personal banking is heavily supported by various channels including e-banking, ATM and branch network.

The Personal Banking Division recorded a strong performance in 2013 and achieved impressive growth in customer base and profits.

During the year in review, the division focused more on deposit liabilities and less on risk assets, which naturally resulted in the decline in total risk assets. This, in turn, was compensated for by the growth in deposit liabilities due to the Bank's increased emphasis on building the deposit customer base.

This has strengthened the Bank's retail brand and is giving it a greater critical mass in the marketplace.

The Personal banking business optimises the value chain of the Bank's corporate, commercial and business banking clients by offering products and services tailored to meet the needs of vendors, dealerships, employees and others.

Our market segments:

• **Value Chain Banking** – caters for individuals within the value chain of the Bank's corporate customers.

•**Inclusive Banking** – caters for segments of the market that require special focus and attention. This includes women, children, pensioners, unbanked, etc.

• **Private Banking** – provides specialised banking services for our high net worth individuals by focusing on security, trust and convenience.

• **Channel Services** – this covers our branch network, ATM and electronic banking platforms through which our teeming retail customers can transact business.

• **Product Development** – is responsible for churning out and updating products and services to make it relevant to the customer.

• **Franchise Banking** – focuses on the remittance business of the bank.

The following products are set to be deployed in the first half of 2014:

Savings

• Instant Savings Account targeted at the unbanked and under-served segments of the market.
• Golden Age Account targeted at pensioners.

Loans

• Vehicle Finance loan
• Personal loan for employees of corporate customers.

Personal Banking
Key Highlights

• The Personal banking team initiated an aggressive campaign in the early part of the year to reactivate dormant accounts and update customer account information. This exercise recorded a huge success.

• We differentiated services for our HNIs to our start-up Private Banking unit. This greater focus and attention to the Bank's top individual customers translated into an impressive growth in our deposits, nearly one hundred and fifty percent.

• The Bank's deposit base grew from 212m to 270m (30%). This is attributable to strategies implemented during the year under review.

• The division also launched the Bank's first ever consumer promotion, dubbed Easy Access Promo. The promotion was hugely successful and sustained the team's competitive edge in the industry. One of the Bank's valued customers at the Sefwi – Wiaso branch, Nana Katakyie II, emerged as the proud winner in the grand draw, taking home a sleek Hyundai ix35. About 99 other winners received consolation prizes including LED TVs, Generator sets and smart phones in two mini draws and the grand draw.

• The division also rolled out new card products onto the market – The Visa Prepaid Card and the Accesslink card.

Prospects

• In 2014, the focus of the retail banking division is to increase customer base, channels, cards and mobilise cheap deposits.

• We are confident of delivering quality banking service with the establishment of our Innovation & Total Quality Management (iTQM) team which is continuously working to improve our business processes, turnaround time and service promise.

• We intend to undertake an aggressive card issuance and grow our personal remittance business.

• In 2014, we shall also roll out our new and ultra-modern Contact Center which will enhance customer engagement and assist to address all customer issues promptly.

The centre will operate 24/7 and will contribute in making our retail banking business one of choice in this industry.

Treasury

The Treasury Group delivers first-class products and services to all the Bank's customers to meet their funding, foreign exchange, investment, liquidity and risk management needs.

Working either directly with customers or through relationship managers, we provide our clients with financial solutions ranging from currency swaps, outright purchase and sales of fixed-income instruments , repurchase agreements, liquidity and yield enhancement products.

Our team focuses on mitigating interest rate and foreign exchange risks for the Bank and its customers, and also provides brokerage services to institutional clients.

During the year under review, the group remained profitable and contributed to the overall impressive performance of the Bank.

Going into 2014, the Treasury Group will continue to focus on increasing income through prudent balance sheet management by offering competitive pricing that would help satisfy our customers and, at the same time, record profits in the seemingly challenging economic environment.

The FX trading desk will continue to support business growth and economic activity with brisk mobilisation of Forex. We will also support customers with innovative FX products, which, will in turn, increase the Bank's revenues.

We will further enhance our performance in 2014 through active fixed income trading and low cost deposits coupled with high returns on placements on both the local and foreign markets.

PRODUCTS & SERVICES

Our Products and Services

The Bank provides universal banking services and customised financial solutions for both personal and business banking needs. We have a comprehensive range of products with a clear-cut pricing policy which guarantees convenient and world-class banking services across our network in Ghana.

A. RETAIL PRODUCTS

Our retail products offer simple and flexible ways of managing your day to day funds while earning attractive interests with great investment opportunities.

1. Savings Account
2. Current Account
3. IPSA Account
4. Premier Account
5. Early Savers Account
6. Solo Account
7. Mpower Salary Account
8. Mpower Biz Account
9. Hujjaj Account
10. Happy School Account
11. Agape Account

B. TREASURY AND INVESTMENT PRODUCTS

Our investment products provide attractive returns on investments in the low-risk money market which guarantees the safety of customers' funds.

1. Call Deposits
2. Fixed Deposits
3. Commercial Papers
4. Treasury Bills and Notes
5. Foreign Currency Sales and Trading
6. Repurchase Agreements (Repos)

C. TRADE FINANCE PRODUCTS

We possess the experience, resource and expertise in international trade and commodity financing. Thus we are well-positioned to become a reliable partner for businesses in Ghana.

1. Import and Export Letters of Credit
2. Import and Export Bills for Collection
3. Guarantees, Bid, Performance and Bond
4. International payment services:
   - Open Accounts
   - Advance Payment
   - Personal remittances
   - Inwards remittances

5. Facilitation of equity confirmation for investment
6. Advisory services

D. PAYMENTS AND COLLECTIONS

We facilitate the management of payments and receivables of our corporate and commercial customers by offering tailor-made solutions to meet their needs.

1. Financial Advisory Services
2. Cash Pick-ups
3. Teller In-Plants
4. Utility Bills Payment - Electricity, Water & DSTV

E. REMITTANCE

1. Western Union Money Transfer
2. Money gram
3. Cross Border
4. MTN Mobile Money

F. LENDNG SERVICES

We offer our SME and corporate customers a wide range of working capital financing options to enable them meet their short and long-term financial needs.

1. Asset Finance
2. Working Capital
3. Overdrafts
4. Term Loans
5. Bonds and Guarantees

For individuals, our Personal Banking team has made the following loan products available:

1. Personal Loans
2. Vehicle Finance Loans

G. E-BANKING PRODUCTS

Our electronic banking platform enables our customers to track their cash flow 24/7, on-line and in real time basis.

1. Access On-line
2. Access Alert
3. Access e-statement
4. Access ATM
5. Access Mobile
6. MTN Mobile Money
7. VISA Debit Card
8. VISA Credit Card
9. Visa Prepaid Card
10. Access Link
11. Access Pay

OPERATIONS & IT SERVICES

The Operations and IT Services Division was an integral part of the Bank's many exciting accomplishments in 2013.

The Operations and IT Banking Division is responsible for ensuring that convenient channels and IT platforms/systems are optimised to deliver seamless customer transactions.

The division comprises Branch Services, Central Processing Centre, Global Payments, Channel Services and Information Technology.

Besides Branch Services, all the Groups under this division are non-customer facing. For instance, the Branch Services Group is responsible for the management of the Bank's branches, agencies and ATM locations nationwide. To ensure excellent service delivery, the group undertakes periodic training for all its employees to maintain the high levels of professionalism and customer experience associated with the Access brand.

Whiles this Group delivers the fulfilling experience for the Bank's services to both customers and non customers, the efficiency of the platforms and service points is maintained by the IT group.

Due to the Bank's high reliance on IT to service its customers, significant attention is paid to ensure minimal disruption to service.

During the year under review, the Bank continued to build on its robust Information Technology (IT) platforms to provide effective support for sustainable business growth.

Key Highlights

• The deployment of an Enterprise Server Bus (ESB) allowed our core banking application to interface with a host of third-party applications such as the Internet Banking portal, mobile and sms banking as well as the integration of other collection platforms. The ESB created a lot more convenience and flexibility for customers who use the Bank's e-banking platform.

• We established a Global Service Desk to act as a centralised point of contact for all IT-related incidents and requests. The centralised desk facilitated speedy resolution of issues and helped improve efficiency in our service to our customers.

• To constantly ensure the security of the Bank's network from external virus and worm attacks, the group installed and deployed a robust new antivirus application that automatically updates all servers and workstations bank-wide on a daily basis.

• The Bank's ATMs were integrated into one platform which significantly reduced the challenges encountered with the management of the ATMs. As a result, ATM uptime has improved and is now hovering around 95%.

• The group also overhauled the ATM power Infrastructure to improve the efficiency and uptime of all the Bank's ATMs. Power inverters were installed to provide 24 hours backup power for on-site ATMs and 48 hours for off-site.

• The Bank has consistently ensured high performance, fast and reliable banking operations across all branches. This has been achieved by deploying optical fibre connectivity bank-wide.

• Over three hundred (300) obsolete desktop computers were replaced bank-wide to ensure a faster and more efficient processing by employees. This had a positive impact on Turnaround Time (TAT) as evidenced by several customer surveys.

• The group also implemented the Express CTS (Cheque Truncation System) and Express ACH (Automated Clearing House) to provide same-day value for customer cheques and interbank money transfers.

• The group also delivered the Access Pay platform which allows customers to make bulk payments to their employees, suppliers or business associates over the internet.

• To improve, maintain and manage customer information, the Customer Data Maintenance Service (CDMS) Unit was introduced into the Group. This Unit helped ensure that accurate data on every customer of the Bank was captured and managed in the system.

• To enhance credit administration in the Bank, the Credit Operations Unit was set up in the course of the year. The unit's mandate is to ensure that the quality of facilities booked in the Bank are in line with Bank of Ghana guidelines.

OUR PEOPLE, CULTURE & DIVERSITY



Our integrated human resource management system allows us to build an environment that fosters learning and creativity, while maximising the potential of our people so that they can truly add value to the Bank.

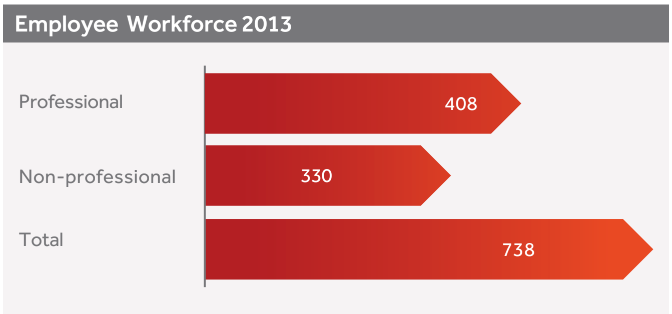
We believe that our employees are the bedrock of our success. As a result, we invest in the requisite skills and capabilities required for superior performance. Our strong commitment to diversity and inclusiveness, also significantly reinforces our competitive edge in the industry.

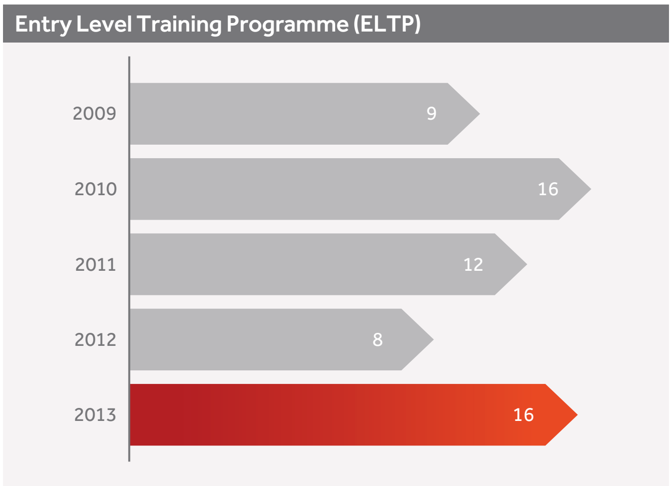
Career Development & Recruitment

The Bank's approach to continuous learning and development is to create an environment where everyone can aspire to be the best. We are dedicated to continuous growth and career development. This principle is applied at all levels and across all functions. Learning is a consistent and continuous element of the Access Bank experience. During their careers, employees can develop valuable skills, gain industry insight, learn from colleagues and contribute to a dynamic and sustainable working environment.

In line with our talent acquisition pipeline, nine (9) fresh graduates who excelled from the country's premier universities and passed our assessment tests, attended a 4-month boot camp - The Entry Level Training Programme (ELTP) at our Banking School of Excellence in Lagos, Nigeria. The ELTP is a rigorous programme that prepares trainees as professional bankers. Since 2009, over 61 trainees have graduated from this programme and each year, trainees from Ghana have returned with a number of awards including Overall Best Student.

In line with our recruitment strategy, some key management positions were filled including Head - IT Infrastructure; Head – E business; Head - Corporate Counsel and Group Head-Institutional Banking II. This has helped to strengthen our Senior Management team to achieve the targets we set ourselves.





Training

Our overarching strategy for capacity building and employee development is to use learning and development as a catalyst to transform our employees into world-class performers. We employ the blended learning approach, so that our employees have several ways in which they can acquire the knowledge and expertise needed to transform our Bank into one of the most respected in the industry.

Employees, both professional and non-professional, were engaged in various training sessions to sharpen their skills and to imbibe the Access culture. Courses covered included: Basic Credit Training, Credit Policy Guide (CPG) and a variety of specialist training at the National Banking College.

A total of about 19,323 hours were devoted to training across the Bank in the 2013 financial year. 100 percent of employees were involved in these training sessions.

Training

	Qtr1	Qtr2	Qtr3	Qtr4
Training sessions	26	29	31	14
Av. No of Participants	446	216	280	329
Av. No of Training hours	2,051	3,000	13,536	448

Productivity & Rewards

Our employees are constantly rewarded and motivated to pursue greater challenges, excelling in all aspects of our banking business. During the year, employees were rewarded through promotions for their exceptional contribution in promoting a culture of service excellence.

A total of 70 employees representing 17% of the professional workforce were promoted. About 33 were also awarded certificates of recognition during the Bank's customer week celebration.

The Bank also participated in the annual Group CEO Awards which saw one of our employee-volunteering groups emerge as overall winners for "Outstanding CSR Project of the Year".

Working with others

For the past two years, Access Bank's partnership with leading universities and student associations such as AIESEC, has helped in diverse ways to support meaningful activities and projects that have a social impact. Access Bank has been one of the major financiers of the Legon branch of AIESEC.

The Bank has supported the student association to undertake two (2) entrepreneurial programmes; awareness creation on Information Technology in some Junior High Schools and the donation of computers and books. Other programmes supported by the Bank include health screening in some communities and the organisation of career fairs.

Diversity

We believe diversity and inclusiveness are powerful drivers of competitive advantage; we have, therefore, made that one of the fundamental components of our long-term growth strategy. By pursuing diversity, we create a culture that embraces differences and celebrates unique ideas, perspectives and experiences. The wide regional distribution of our workforce of over 400 professionals, for example, illustrates one of many ways in which the Bank is actualising its commitment to diversity.

Our Diversity scorecard

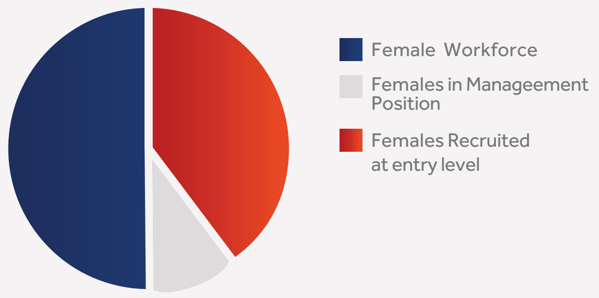
1. As at 31 December 2013, our female workforce constituted:

(a) 50% of our total professional workforce
(b) 37% of our Management positions

2. A total of 67% of entry level employees recruited were females.

3. Our staff composition cuts across all the ten (10) regions of the country.

a) Composition of total professional workforce by gender



SERVICE QUALITY

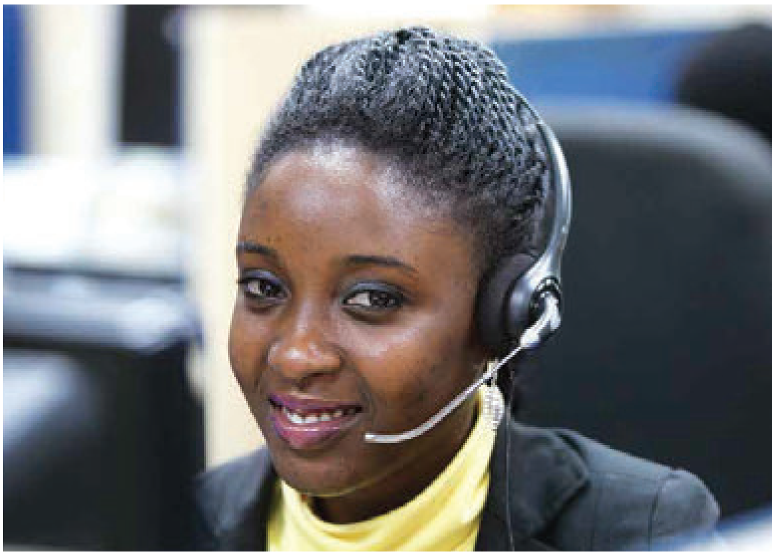
Our Innovation & Total Quality Management team ensures that the Bank delivers an addictive service to customers and other stakeholders at all times.

Our customers remain at the heart of our business, and we are committed to responding to their needs with sensitivity and dynamism.

As a customer-focused bank, the daily commitment to giving value to our customers is segmented in three core areas under our Innovation & Total Quality Management (iTQM) unit.

- Customer Experience Management
- Standards and Quality Assurance
- Business Process Management

During the year under review, the iTQM unit initiated a series of activities bank-wide to improve quality service delivery to our teeming customers.



Key Highlights

Customer Experience:
In line with realising our vision to become the "World's Most Respected African Bank", Access Bank Ghana embedded the concept of **Customer Experience (CX)** in its new five-year strategy.

The paradigm shift from **'Customer Service'** to **'Customer Experience'** is driven by the desire to create an "enjoyable" experience at all our service points beyond the routine of meeting our customers' expectations.

This revised focus is expected to reposition the Bank, differentiate it from the market and give it a competitive advantage in the industry.

The following activities and programmes were organised to help employees to imbibe this concept:

- Customer Experience Management Training bank-wide.
- Revision of functions, processes and products to deliver an "enjoyable" experience for the customers.
- Establishment of statement of commitments.
- Programme Measurement, Feedback and Rewards.
- Staff Performance Management Review.

Internal Customer Satisfaction Survey (ICSS):
The Bank conducted an all-new online Internal Customer Satisfaction Survey (ICSS) to solicit feedback and expectations of staff on the level of service received by internal service providers.

The purpose of this survey was to enhance internal business partnership in service delivery. As result of the intensive internal campaigns to sensitise and educate staff, the survey recorded an improvement in Workplace Ethics and Employee Satisfaction.

Monthly Service Quiz:
The iTQM Unit introduced a monthly service quiz to reward employees as a way of deepening staff knowledge about the Access brand, policies, products and services.

With over 200 staff participating each month, the Service Quiz has generated the desire for continuous learning amongst employees.

Guest Tellering:
Each year, the Bank organises a Guest Tellering exercise that involves the practice of assigning all Management staff including the Managing Director to various branches, as frontline personnel.

The exercise was overwhelmingly subscribed to in 2013. The feedback revealed fresh insights on the "Voice of the Customer". This was distilled into a detailed report and rendered for immediate action to improve service delivery across all the Bank's locations.

Customer Service Week:
The Bank once again joined thousands of customer-focused organisations across the world to celebrate the Global Customer Service Week from October 7- 11, 2013. The celebration was under the theme, "Think Service".

Over the past five years, Access Bank has leveraged on this event as a viable platform to reinforce its "Passion for Customers". To mark this week, a series of activities were organised to reward and appreciate both customers and frontline employees who are at the centre of service delivery.

Customer Satisfaction Survey:
A customer satisfaction survey was initiated to ascertain customer satisfaction levels across the Bank. The performance across branches recorded an overall average rating of 78.25% as at December 2013, showing a marked improvement from 74.37% in January 2013.
All branches assessed achieved an overall 4-star Customer Satisfaction rating.

- 31 branches (97%) attained 4* whilst 1 branch (3%) achieved 3* in product knowledge.
- 27 branches (84%) attained 4*, whilst 5 branches (16%) achieved 3* in Turnaround-Time (TAT).

Complaints Handling and Reporting:
Access Bank handles customers' complaints with due regard to the needs and requirements of each complaint. Through our Contact Centre and in-branch Customer Care Officers' efforts are made to resolve complaints immediately. However where this is not achieved, complaints are referred to responsible units for quick resolution. All complaints are logged, the root causes identified and the lessons learnt are noted to avoid recurrence. A Customer-Complaints' Report is regularly presented to Executive Management and the Operational Risk Management Committee.

Complaints Resolution:
To facilitate a responsive complaint and feedback process, the Bank has provided various channels for customers. These include:

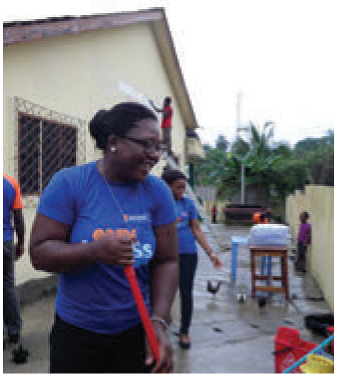
- A reliable 24hr contact centre with voice, SMS and email feedback which is expected to be unveiled in 2014.
- Contact via the Bank's website.
- Customer service desk in each branch.

Solicited Customer Feedback:
Deliberate efforts are made to solicit feedback from customers and staff on the products/services of the Bank via:

- Customer Service Survey
- Customer Visits
- Guest Tellering
- Customer Forums

Feedback obtained is handled by the Innovation and Total Quality Management (ITQM) Unit for reviews and lessons learnt presented to improve service quality bank-wide.

SUSTAINABILITY



In 2013, the Bank continued to promote responsible and sustainable business practices across its operations in Ghana. This is because, we recognise that corporate responsibility, sustainability and business success belong together.

On our sustainability journey, we have become more determined than ever to improve our business while focusing on efforts that will increase performance and impact positively on the markets and communities we serve.

Over the years, Access Bank's goal has been to drive profitable, sustainable growth that is also environmentally responsible and socially relevant. Thus, the Bank continues to mainstream sustainability into its operations for long-term business success to assure stakeholders that we are here to stay, here to safeguard their long-term interests and here to balance our economic profits with sustainable developments.

The implementation of our sustainability strategy continues to influence our lending practices, promote diversity, fair employment and the conduct of our social impact assessment.

Our sustainability impacts

Our sustainability function encompasses the following focal areas:

Best business practices
We have entrenched sustainability at the core of our business operations through strong corporate governance, sound environmental initiatives, responsible business practices and transparent reporting of all our activities.
Financial inclusion
We are focused on providing financially responsible products and services that are geared towards bringing segments of the market that require special attention as well as the unbanked and under-banked community into mainstream banking.
Empowerment
We educate, empower women and encourage diversity in business. Through our Women Banking team, we are able to promote, develop and enhance the potentials of women entrepreneurs to excel in their various fields of endeavour.
Employee relations and diversity
At Access Bank, we take pride in having one of the most skilled workforces. We continue to attract, develop and retain a diverse group of talented employees. We also ensure that our employees have access to the best training and development resources so that they can improve their individual skills.
Community investment
We continually contribute to the development of our local communities through specific social interventions and mutually beneficial partnerships. Our community investment activities are funded through the Bank's 1% PBT reserve and our vibrant Employee Volunteering Programme. Focus areas include Education, Health, Sports, Environment, Arts and Culture.
Environmental and social risk management
We ensure that we do not engage in activities that degrade our environment. We make every effort to measure and reduce our environmental footprint by providing appropriate solutions to our customers and employees and by carefully managing our project finance activities.

We are committed to creating a work environment where people can make a difference both as individuals and as part of a team.

Financial Inclusion

A key part of the Bank's sustainability strategy is bringing the unbanked and under-banked into the mainstream economy. The development of products and services aimed at financial inclusion underlies our contribution to narrowing the poverty gap.

• Our financial inclusion strategy resulted in the creation of innovative products such as the Early Savers Account which, in 2013, helped provide banking services to thousands of children below the ages of 18. This contributes to financial awareness from an early age and positively to wealth creation among the youth.

• This strategy also inspired one of the Bank's Employee Volunteering groups to develop a financial literacy programme to bring financial services closer to the physically challenged. Dubbed "Hope for the hearing-impaired", the project saw the launch of a sign language guide to bridge the communication gap between the hearing-impaired and the rest of society. Today, the guide is helping this minority group to enter the formal financial system and ultimately play a role in pursuing both their own and their families' personal economic and social advancement.

Going Green – Paperless Office

In line with our Environmental and Social Risk Policy the Bank, in 2013, stepped up its "Going Green Initiative". This initiative requires that all activities carried out by the Bank should consider the impact on biodiversity, deforestation and air and water pollution.

As a result, the Bank launched a framework for the implementation of a Paperless Office. The ultimate goal of the Paperless Office is to reduce paper documents as the carrier of information and work mostly with electronic documents. In such a work environment, the creation, modification, storage and retrieval of documents (electronic, graphical and virtual) happen electronically.

• We have automated basic banking operations and processes to reduce cumbersome paperwork and paper wastage within the Bank. This has enabled the Bank to increase the productivity of employees, save time, money and other resources.

• The Bank also migrated all of its customers' statements from manual print-outs to electronic monthly statements. By doing this, we contribute to protecting the environment and conserving it for future generations.

• The Paperless Office Project is also helping the Bank to track, report and manage its environmental footprint performance.

Female Empowerment

• In 2013, the Bank reorganised its retail banking business to place more emphasis on special segments. As a result, the Women Banking team was established with the expectation of an active roll out in 2014.

The objective of the Women Banking team, is to provide women with resources required to grow their businesses through capacity building workshops, networking opportunities, advisory services and market collaborations. It is expected that the team's efforts will facilitate the participation of women in economic activities to boost the local economy and improve the economic wellbeing of families in Ghana.

• The Bank also launched the global Access Women Network (AWN) in Ghana during the year. The AWN focuses on providing the necessary platform for women within the Bank to ascend to the highest positions and reach the peak of their careers.

The Network held its inaugural AWN event at the African Regent Hotel in Accra. This event provided a good platform for women in the Bank to meet Management and to hear from exemplary women leaders in Ghana. Ms Abena Amoah, an accomplished financial and investment advisor and Director on the Ghana board, was the guest speaker.

Community Investment

Access Bank is committed to supporting the socio-economic development of the communities we serve. We deliver value in every aspect to our customers, our people and our communities.
In 2013, the Bank's community investment initiatives touched thousands of lives. Our social interventions focused on health, education, the environment and general philanthropy.

• In a bid to promote environmentally friendly practices, the Bank sponsored the first Garden and Flower Fair under the theme "Sustainable Gardening in Ghana". The World's renowned Horticulturist Keith Edward Kirsten, also known as "South Africa's favourite gardener", was the key facilitator for the event. The fair set the tone for a national discourse on using horticulture as a tool for employment generation and diversified income revenues through export.

• In line with its thought leadership role, the Bank partnered the Business & Financial Times in March to organise the 2nd Ghana Economic Forum at the Movenpick Hotel in Accra. The event brought together captains of industry and policy makers to deliberate on key issues affecting the country's economic fortunes. This support derives from our belief that the survival and continued prosperity of our business cannot be divorced from the prosperity and sustenance of the economy in which we operate.

• Under the Bank's Pay Outlet product (a web-based product which allows school fees payments for partner Senior High Schools), a novel social responsibility initiative was developed. Under this initiative, Access Bank gives a proportion of the revenue made from the "Pay Outlet" service to the beneficiary school, in the form of a social project. In all, over 10 schools benefited from donations in the form of storage tanks, air conditioners and office printers, among others, to enhance the teaching and learning environments in their respective schools.

• The Bank also made significant contributions to support national groups, non -governmental organisations and associations to deliver on their mandate for the good of society. Organisations that received support during the year include;

- National Hajj Committee – donation of travel pouches for all Hajj pilgrims and sponsorship of nation-wide publicity for the pilgrimage.

-Lighthouse Christian Children's Home in Aburi – cheque donation of GHS 5000.

Occupational Health and Safety

The Bank's Occupational Health and Safety (OHS) processes advanced during the year with the continuous training and awareness amongst employees on health and safety hazards. The objective is to provide a safe, healthy and secure workplace for all our employees, contractors, visitors and customers, and to achieve zero environmental harm.

- During the year, the Bank equipped employees in basic life support and first aid training including the use of fire extinguishers and how to respond to emergencies. Over 80% of employees participated in this training bank-wide.
- In line with the Bank's Business Continuity Programme (BCP), fire drills were also conducted during the year in collaboration with the Ghana National Fire Service. The drill enlightened employees on the potential sources of fire outbreak and fire management procedures.

Employee Volunteering

Through our Employee Volunteering Programme (EVP), staff dedicated their man hours, skills, experiences and funds to support meaningful projects for community development.
This voluntary service policy continues to project Access Bank as an industry leader in community service and sustainability.

During the year, over 700 employees of the Bank volunteered to successfully commission thirteen (13) distinct projects in 7 out of the10 regions, where the Bank had presence. Some 40 communities, institutions and an estimated 10,000 individuals benefitted from these charitable projects.

Health:

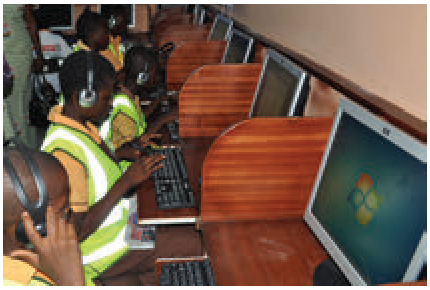
1.Ridge Hospital, Accra – Complete refurbishment of the Maternity/ Labour Ward.

2.Accident Centre, Korle Bu Teaching Hospital – Clean-up exercise and donation of medical equipment and supplies to the Unit.

3.Komfo Anokye Teaching Hospital, Kumasi – Provision of pulse oxymeter, plastic stools for mothers/children, digital BP apparatus and thermometers, bed sheets, weighing scales, mosquito nets, bedside pedestal, lockers and lamps.

Education:

4. James Town Sempe Primary School – Further refurbishment of School ICT Centre, complete painting of School Facility, donation of 15 computers and 18 cupboards.



5. Kanda Cluster of Schools – Partnership with National Road Safety Commission (NRSC) to launch Road Safety clubs, refurbishment of Computer laboratory fitted with 25 new computers and renovation of the classroom block.

6. Techiman Senior High School – Donation of building materials and paints to the school for the renovation of the Girls' Dormitory.

7. Street Girl Aid Early Childhood Centre – Donation of 60 children's (toddlers') chairs', 100 children's exercise books, 50 copies of *"My first copy book"*, pencils and crayons.

Social Welfare:

8. Angel of Hope Orphanage, Tarkwa – Renovation of the facility which includes repainting, fixing of broken door frames and ceilings, plumbing works and fixing cracked walls. Also, a major cleanup of the residence and mentoring sessions with the kids was organised. Several food items, books and beddings were also donated.

9. Children's Homes (Osu, Agbogbloshie Street Girls' children, SOS – Tema, Local Community) – Christmas party for over 200 deprived children at the Marie Louis Hospital.

10. Nyohini Children's Home, Tamale - Health screening exercise and treatment for inmates of the Home and children around Nyohini area below the age of 10.

11. Ghana Blind Union – supported the *"White Canes for All"* project with the donation of 100 white canes, Braille sheets and pointers.

12. School for the Deaf, Ashiaman – Launch of Sign Language Book to bridge the communication gap between the hearing-impaired and the rest of the society.

Sports:

13. Attoh Quarshie Boxing Gym – Activities included painting of the Gym Facility, donation of boxing equipment, other supplies and the provision of signage.

MANAGING RISK FOR A SUSTAINABLE FUTURE

We recognise the role of responsible-risk management practices in achieving our strategic vision, and have a well-established risk-governance structure and an experienced team of professionals to do this.

Access Bank recognises the role of responsible risk-management practices in achieving its strategic vision of being the world's most respected Bank in Africa. The Bank has a well-established risk-governance structure and an experienced risk team. Our risk-management framework provides essential tools to enable us take timely and informed decisions to maximise opportunities and mitigate potential threats.

Our approach to risk management

Risk is an inherent part of the Bank and its business activities. Access Bank's overall risk tolerance is established in the context of the Bank's earnings power, capital and diversified business model.

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

The Board of Directors and Management of the Bank are committed constantly to establishing, implementing and sustaining tested practices in risk-management to match those of leading international banks. The Bank is convinced that the long-term sustainability of its franchise depends critically on the proper governance and effective management of our business.

The evolving nature of risk-management practices and the dynamic character of the banking industry necessitate regular review of the effectiveness of each enterprise's risk-management component. As such, the Bank's ERM Framework is subject to continuous review to ensure effective and cutting-edge risk-management.

Responsibility

The Chief Risk Officer has a primary responsibility for risk management and the review of the ERM Framework. All amendments to the Bank's ERM Framework require Board approval. The Risk-Management and Compliance Division is responsible for the enforcement of the Bank's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

Access Bank Ghana has adopted (with relevant modifications) the risk-management framework of its parent company which is based on the guidelines of the Basel II Capital Accord.

Risk culture and appetite

The Bank's risk-management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation. The Bank believes that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels to better understand and manage risks.

The Bank's risk appetite can be expressed in terms of how much variability of return the Bank is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. The Bank's risk appetite is always set at a level that minimises erosion of earnings or capital due to avoidable losses in the banking and trading books or from frauds and operational inefficiencies.

Risk-management strategy and objectives

The strategy for the management of risk is to empower all our staff actively to identify, control, monitor and regularly report risk issues to management.
The broad risk-management objectives of the Bank are:

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

Scope of risks

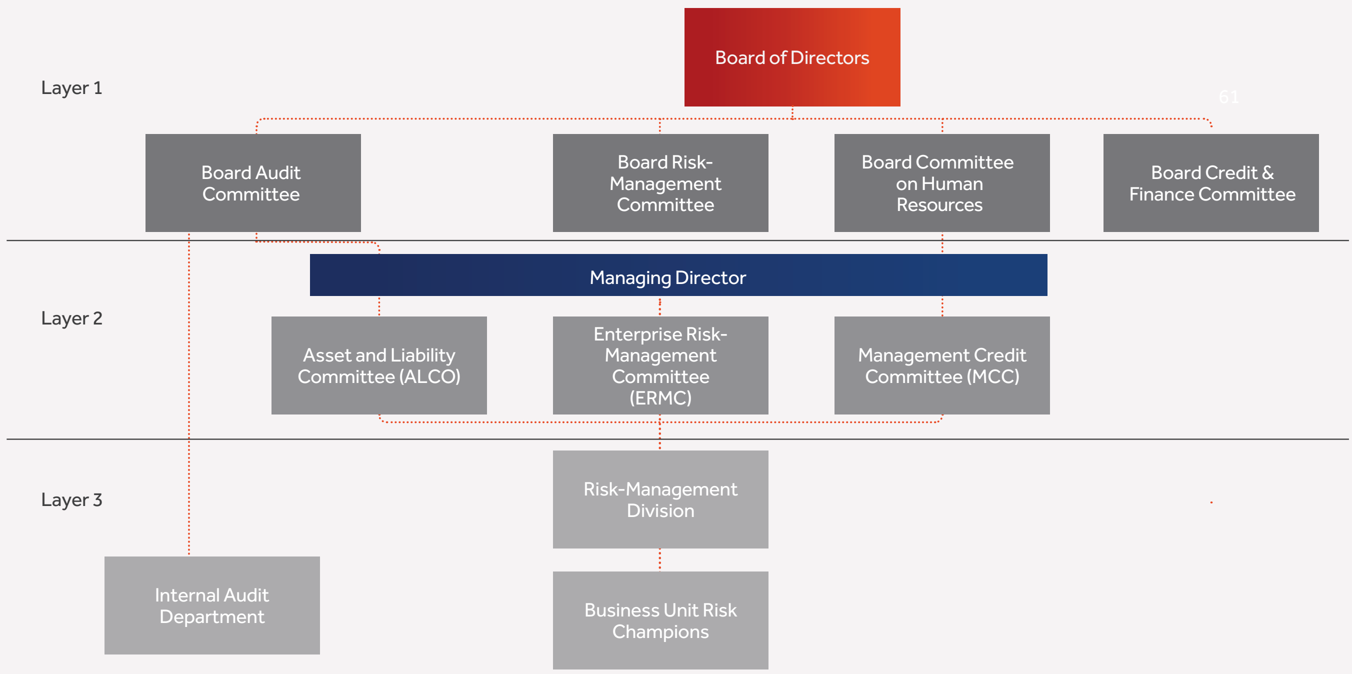
The scope of risks that are directly managed by the Bank is as follows: Credit risk, Operational risk, Market and Liquidity risk, Legal and Compliance risk, Strategic risk, Reputational risk and Capital risk

Risk-Management Governance Structure

Access Bank's Risk-Management Governance Structure is depicted below:

Risk-management governance structure

Access Bank's Risk-Management governance structure is depicted below.



YOU DESERVE SERVICE

We commit to understand, respect and provide world-class service to our customers.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

1

1. Frank W. Beecham
Board Chairman
Born in March, 1952, Frank Beecham is a lawyer by profession and a past National President of the Ghana Bar Association.

He has spent the greater part of his working life in banking, having joined Merchant Bank Ghana Ltd as a Banking Officer in 1977. He served in several units and departments of the Bank and its subsidiaries and left the Bank, after twenty-two years, as a General Manager.

Frank is currently a partner in the law firm of Bram-Larbi, Beecham & Co. He has served and continues to serve on several boards.

2

2. Herbert Wigwe, FCA
Group Managing Director, Access Bank Plc
Herbert Wigwe is the new Group Managing Director (GMD) of Access Bank Plc.
Herbert started his professional career at Coopers and Lybrand Associates, an international firm of chartered accountants. He later joined Guaranty Trust Bank where he spent 10 years and resigned as Executive Director to co-lead the transformation of Access Bank Plc in March, 2002 as Deputy Managing Director. Herbert is an accomplished banker with over two decades of diversified work experience in banking.

He is an alumnus of the Harvard Business School and a Fellow of the Institute of Chartered Accountants, Nigeria (ICAN). He holds a Master's degree in Banking and Finance from the University College of North Wales; a Master's degree in Financial Economics from University of London and a Bsc degree in Accounting from the University of Nigeria, Nsukka.

3

3. Obinna Nwosu
Group Deputy Managing Director and Chief Operating Officer, Access Bank Plc
Obinna Nwosu is the Group Deputy Managing Director and Chief Operating Officer (COO) of Access Bank Plc. He has over two decades of banking experience garnered from both Access Bank and Guaranty Trust Bank.

Obinna was a General Manager and Head, Retail Banking Division until December, 2012 when he took a study leave for a Master's Degree in Public Policy at Columbia University, New York. His experience spans both banking operations and relationship management.

He holds an MBA and a Degree in Accountancy from University of Nigeria, Nsukka. He has also attended several Executive and Leadership Development Programmes at leading institutions around the world.


4

4. Dela Selormey
Director (Independent)
Dela Selormey is a Chartered Accountant and Banker par excellence. He holds an International Master of Business Administration (IMBA) degree and a Certificate in Consulting. His rich experience in banking spans close to four decades (1973 to 2010) during which period he rose to become the Head of Banking Supervision of the Bank of Ghana.

He facilitated the implementation of the International Financial Reporting Standards by banks in Ghana. Internationally, he assisted in extending financial services to rural communities in post conflict Sierra Leone.

Dela Selormey has also consulted widely in banking and international financing. He consulted for the International Fund for Agricultural Development (IFAD) and the National Project Coordinating Unit of the Ministry of Agriculture of Sierra Leone, a project that is ongoing.


5

5. Abena Amoah
Director (Independent)
Abena Amoah is an accomplished financial and investment advisor with over 15 years of work experience. She started her career with Strategic African Securities where she worked for ten years, rising to the position of Executive Director.

She is currently the Chief Executive Officer of Baobab Advisors, a financial advisory services company she founded in 2011. Prior to that, she headed the Ghana office of Renaissance Capital; a leading investment bank in Moscow.

Abena holds a First Class Honours in Bsc Administration from the University of Ghana Business School and also attended the University of Colorado's Daniel College of Business.


6

6. Ernest Mintah
Director (Independent)
Ernest Mintah has over 3 decades of experience working in the banking and finance sectors in Ghana and the United States. He is currently the Chief Executive Officer of Ghana Leasing Company Limited, and has been involved in long-term lending of asset-based financing to several sectors in Ghana.
He holds a first degree in Economics and Management from Eckerd College (FL, USA) and post-graduate degrees from the Columbia University (New York), Bradford University (UK) as well as a PhD from the University of Southern California.
Ernest serves on the Boards of the Ghana's Export Development and Agricultural Investment Fund. He is also the president of the Ghana Association of Leasing Companies.

BOARD OF DIRECTORS
CONTINUED

7

7. Elias Igbinakenzua
Executive Director, Corporate and Investment Banking – Access Bank Plc

Elias Igbinakenzua is the newly appointed Executive Director responsible for Corporate and Investment Banking at Access Bank Plc. He brings on board over two decades of banking experience from Zenith Bank where he served as the Executive Director, Corporate Banking till July, 2013. In his new role, Elias will build on the Bank's leadership position in the corporate banking space, drawing on his wide industry experience.

Elias is a Fellow of the Institute of Chartered Accountants of Nigeria, Chartered Institute of Taxation of Nigeria and Institute of Credit Administration of Nigeria. He also holds an MBA and Bachelor's Degree in Accountancy from Enugu State University of Science and Technology and University of Benin respectively. He has also attended several Executive Management Development programmes in leading Business Schools around the world.

8

8. Kameel Adebayo
Executive Director, Operations and IT - Access Bank Ghana

Kameel Adebayo is the Executive Director for Operations and IT. He has over 20 years banking experience, most of which were spent in Banking Operations. Prior to joining Access Bank Plc, Kameel worked with the Nigeria Agriculture and Co-operative Bank Limited and was a Senior Management staff, CitiBank Limited – Nigeria, before joining Access Bank Plc in June, 2008.
Until his secondment, Kameel was the Head, Subsidiaries Planning and Control at Access Bank Plc. In this position, he oversaw a number of key projects, and was the Project Lead for the Change-of-Control process through which there was an effective take-over and full integration of all subsidiary companies of the erstwhile Intercontinental Bank Plc into the Access Bank Group.
He is a fellow of the Chartered Institute of Accountants and Chartered Institute of Taxation in Nigeria and holds an MBA in Finance from the Obafemi Awolowo University and Bsc in Finance from University of Ilorin all in Nigeria.

9

9. Dolapo Ogundimu
Managing Director

Dolapo Ogundimu is a seasoned banker with over 25 years of high level professional banking experience in the sub-region.
He started his banking career in Nigeria with Continental Merchant Bank (formerly Chase) in 1986. He has been recognised as a change manager and contributor to the development of the financial services industry in Nigeria, Sierra Leone and Ghana. In Ghana, he pioneered Guaranty Trust Bank to become one of the most successful banks in the industry.
Dolapo is an alumnus of the Harvard Business School and has attended several International Executive Management Programmes across leading Business Schools.

DIRECTORS, OFFICERS & ADVISORS

CORPORATE INFORMATION

Board of Directors	Frank Beecham (Chairman)	
	Dolapo Ogundimu (Managing Director)	
	Herbert Wigwe	
	Kameel Adebayo	
	Obinna Nwosu	(Appointed – 02/01/14)
	Elias Igbinakenzua	(Appointed – 02/01/14)
	Dela Selormey	(Appointed – 26/02/13)
	Abena Amoah	(Appointed – 19/11/13)
	Ernest Mintah	(Appointed– 19/11/13)
	Obeahon Ohiwerei	(Resigned– 31/12/13)
	Taukeme Koroye	(Resigned – 31/12/13)

Secretary

Andrea Dumfeh

Auditor

PricewaterhouseCoopers
No. 12 Airport City
UNA Home, 3rd Floor
PMB CT 42, Cantonments
Accra, Ghana

Registered Office

Access Bank (Ghana) Limited
Starlets '91 Road
Opp. Accra Sports Stadium,
P.O. Box GP 353
Osu
Accra, Ghana

Bankers

Citibank N. Y
Access Bank UK
Ghana International Bank
Commerzbank
FBN UK
Bank of Beirut, UK
Standard Bank, S.A
FIM Bank, UK
Access Bank PLC
Bank of Ghana

MANAGEMENT TEAM

Dolapo Ogundimu	Managing Director
Kameel Adebayo	Executive Director, Operations & IT
Joana Bannerman	Group Head, Commercial Banking
Stephen Abban	Group Head, Personal Banking
Tony Ibikunle	Head, Compliance & Internal Control
Isaac Yorke	Group Head, Institutional Banking I
Anthony Mensah	Group Head, Institutional Banking II
Abass Haruna Appiah	Head, Institutional Banking III
Philip Ampofo	Head, Corporate Banking
Fosuhene Acheampong	Head, Business Banking
Ann Obeng-Ababio	Head, Human Resources
Matilda Asante-Asiedu	Head, Corporate Communications & Brand Management
Eugene Mensah	Ag. Head, IT Infrastructure
Kafui Bimpe	Head, Internal Audit
Joseph Robertson Afful	Sector Head, Business Banking
Angela Okugo	Head, Central Processing Centre
Calleb Osei	Head, Financial Control & Strategy
Andrea Dumfeh	Head, Corporate Counsel
Felix Ejinwa	Head, Risk Management
Patience Yevudza	Head, General Resource Management
Julliet Fiasorgbor	Ag. Treasurer

DIRECTORS' REPORT

The Directors in submitting to the shareholders the financial statements of the Bank and Group for the year ended 31 December 2013 report as follows:

Statement Of Directors' Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position at 31 December 2013, the statement of comprehensive income, the statement of changes in equity, statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 1963 (Act 179), the Banking Act, 2004 (Act 673) (As amended by the Banking (Amendment) Act, 2007 (Act 738).

The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial reports that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.
The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial report and Dividend

In Thousands of Ghana Cedis	**The Group**	**The Bank**
31 December	**2013**	**2013**
Profit before tax	**71,791**	**71,763**
from which is deducted taxation of:		
National stabilisation levy	**(1,802)**	**(1,801)**
Income tax expense	**(24,391)**	**(24,384)**
	(26,193)	**(26,185)**
Leaving a net profit after tax of	**45,598**	**45,578**
less transfers to credit risk reserve	**(23,969)**	**(23,969)**
less transfers to statutory reserve	**(22,799)**	**(22,789)**
leaving a balance of	**(1,170)**	**(1,180)**
when added to the balance brought forward on retained earnings of	**11,796**	**10,898**
gives a balance of	**10,626**	**9,718**

In accordance with Section 29(c) of the Banking Act, 2004 (Act 673) as amended, an amount of GH¢ 22,799,000 (2012: GH¢17,280,000) was transferred to the reserve fund from the retained earnings account (income surplus), bringing the cumulative balance on the statutory reserve fund to GH¢48,656,000 (2012: GH¢25,857,000) at the year end.

The board of directors recommended for shareholders' approval on 27 March 2014 dividend per share of Ghana Cedis 0.09600 (2012: NIL) amounting to GH¢ 10,626,000 (2012:NIL) in respect of 2013.
Nature of Business
The Bank is authorised by the Bank of Ghana to carry on the business of universal banking.

Subsidiaries
The Bank has two wholly owned subsidiaries namely, Big Ticket Holdings Limited (BTH) and Triumph Properties Limited (TPL). BTH is currently operating as a leasing company and TPL was dormant for the year and at the year end.

Equity Investment in Associate
The Bank has a 40% equity interest in Magnate Technologies Services Limited, which is in vehicle leasing operations.

Holding Company
The Bank is a subsidiary of Access Bank Plc, a company incorporated in the Federal Republic of Nigeria and licensed to undertake all banking and related services.

Approval of the Consolidated Financial Statements
The consolidated financial statements of the Bank were approved by the Board of Directors on 27 March 2014 and were signed on their behalf by:

Auditor
The auditor Messrs PricewaterhouseCoopers has expressed willingness to continue in office in accordance with Section 134 (5) of the Ghana Companies Act, 1963 (Act 179).

…………………………………………	…………………………………………
Frank Beecham	Dolapo Ogundimu
Chairman	Managing Director

ACCRA

27 March, 2014

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCESS BANK (GHANA) LIMITED

Report On The Financial Statements

We have audited the accompanying consolidated financial statements of Access Bank (Ghana) Limited (the Bank) as set out on pages 60 to 112. These financial statements comprise the consolidated statement of financial position at 31 December 2013, the consolidated statements of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the statement of financial position of the Bank standing alone as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Bank for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for The Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank and the group as at 31 December 2013 and of the financial performance and cash flows of the Bank and the group for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738)

Report on other legal requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

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

ii) In our opinion, proper books of account have been kept by the Bank so far, as appears from our examination of those books; and

iii) The balance sheet and profit and loss account are in agreement with the books of account.

In accordance with section 78(2) of the Banking Act, 2004 (Act 673) we hereby confirm that:

i) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;

ii) In our opinion, the accounts give a true and fair view of the state of the Bank's affairs and its results for the year under review;

iii) In our opinion, the Bank's transactions were within its powers.

iv) The Bank in all material respects complied with the requirements of the Banking Act, 2004 (Act 673) as amended.

Signed by: Oseini Amui (ICAG/P/1139)
For and on behalf of:
PricewaterhouseCoopers (ICAG/F/028)
Chartered Accountants
Accra, Ghana
27 March 2014

CORPORATE GOVERNANCE REPORT

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

The Access Bank Group governance framework helps the Board to discharge its role of providing oversight and strategic counsel in balance with its responsibility to ensure conformity with regulatory requirements and acceptable risk.

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

GOVERNANCE STRUCTURE

Shareholders' Meeting

Shareholders' meetings are duly convened and held in line with the Bank's Regulations and existing statutory and regulatory regimes in an open manner, for the purpose of deliberation on issues affecting the Bank's strategic direction. This occurs through a fair and transparent process and also serves as a medium for fostering interaction between the Board, Management and Shareholders. Attendance at the Annual General Meeting is open to all shareholders or their proxies. The Board ensures that shareholders are provided with the requisite notice of the Meeting.

The Board: Composition and Role

The Board comprises seven members which include the Chairman and six other Directors. The effectiveness of the Board derives from the diverse range of skills and competences of the Board of Directors, who have exceptional degrees of banking, financial and broader entrepreneurial experiences.

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

Executive Management is accountable to the Board for the development and implementation of strategy and policies.
The Board meets quarterly and emergency meetings are convened as may be required by circumstances. The Annual Calendar of Board and Committee meetings are approved in advance and all Directors are expected to attend each meeting. The Annual Calendar of Board Meetings includes a Board Retreat at an off-site location to consider strategic matters and review the opportunities and challenges facing the institution. All Directors are provided with notices, agenda and meeting papers in advance of each meeting and, where a Director is unable to attend a meeting, he/she is still provided with the relevant papers for the meeting while such Director reserves the right to discuss with the Chairman the matters he/she may wish to raise at the meeting. Decisions are also taken between meetings via written resolutions circulated to all Directors in accordance with the Companies Act, 1963, Act 179.

The Company Secretary and her team continue to provide dedicated support required to fulfil their roles. Directors may, at the Bank's expense, take independent professional advice on matters pertaining to their role as Directors. In addition, the Directors receive monthly updates on developments in the business and regulatory environment.

The Standing Committees

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

Board Audit Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Bank's financial statements and the financial reporting process; the independence and performance of the Bank's internal and external auditors and the Bank's system of internal control and mechanism for receiving complaints regarding the Bank's accounting and operating procedures. The Bank's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The Committee met three times during the 2012 financial year.

Board Risk-Management Committee

The Committee assists the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements in the Bank. In addition, it oversees the establishment of a formal written policy on the overall risk-management system. The Committee also ensures compliance with established policies through periodic reviews of Reports provided by management and ensures the appointment of qualified officers to manage the risk function. The

Committee evaluates the Bank's risk policies on a periodic basis to accommodate major changes in internal or external environment. The Committee met three times during the 2012 financial year.

Board Credit and Finance Committee

The Committee considers and approves loan applications above certain limits (as defined by the Board from time to time) which have been approved by the Management Credit Committee. It also acts as a catalyst for credit policy changes. The Committee met three times during the 2012 financial year.

Board Governance and Remuneration Committee

The Committee advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the Directors and employees of the Bank. Specifically, the Committee is responsible for determining and executing the processes for board appointments, recommending appropriate remuneration for Directors (both executive and non-executive) and approving remuneration for all other members of staff. The objectives of the Committee include ensuring that the Bank's human resources are maximised to support the long term success of the institution and to protect the welfare of all employees. The Committee met three times during the 2012 financial year.

Executive Committee

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

Management Committees

These are standing committees made up of senior management of the Bank. The Committees are also risk driven and are set up to identify, analyse and make recommendations on risks pertaining to the Bank's day to day activities, They ensure that the risk limits set by the Board and the regulatory bodies are complied with and also provide inputs to the various Board Committees in addition to ensuring the effective implementation of risk policies. They meet as frequently as risk issues occur and take actions and decisions within the confines of their respective powers. The management committees include: Management Credit Committee, Asset and Liabilities Committee, Enterprise Risk Management Committee, Criticised Assets Committee and IT Steering Committee.

Succession Planning

The Bank has a Succession Planning Policy which was approved by the Board. Succession Planning is aligned to the Bank's performance management process. The policy identifies eleven (11) key positions including Country Managing Director positions for all Access Bank operating entities in respect of which there will be a formal succession planning. The Bank's policy provides those potential candidates for the other positions shall be identified at the beginning of each financial year by the Human Resources Head, based on performance and competencies.

Code of Ethics

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

Whistle-Blowing

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

YOU DEMAND SECURITY

We undertake to deliver complete customer confidence through stability and security.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are expressed in thousands of Ghana Cedis unless otherwise stated)

Year ended 31 December 2013

	Note	The Group 2013	2012	The Bank 2013	2012
Interest income	7	**130,055**	115,451	**130,055**	115,451
Interest expense	7	**(39,581)**	(42,450)	**(39,581)**	(42,450)
Net interest income		**90,474**	73,001	**90,474**	73,001
Commission and fees	8	**36,046**	39,812	**36,046**	39,812
Net trading income	9	**16,312**	10,299	**16,312**	10,299
Other operating income	10	**4,694**	3,283	**4,621**	2,835
Total operating income		**147,526**	126,395	**147,453**	125,947
Impairment loss on financial assets	11	**(10,460)**	(21,463)	**(10,460)**	(21,463)
Personnel expenses	12	**(27,463)**	(23,749)	**(27,463)**	(23,749)
Depreciation and amortisation	20	**(6,570)**	(6,354)	**(6,534)**	(6,199)
Other operating expenses	13	**(30,939)**	(28,018)	**(30,930)**	(28,008)
Operating profit before loss on equity accounted investee		**72,094**	46,811	**72,066**	46,528
Share of loss of equity accounted investment	19	**(303)**	(101)	**(303)**	(101)
Profit before tax		**71,791**	46,710	**71,763**	46,427
Taxation	14	**(26,193)**	(11,867)	**(26,185)**	(11,796)
Profit after tax		**45,598**	34,843	**45,578**	34,631
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year attributable to equity holders of the Group		**45,598**	34,843	**45,578**	34,631
Earnings per share					
Basic	15	**41Gp**	34G p	**41Gp**	34Gp
Diluted	15	**41Gp**	34Gp	**41Gp**	34Gp

The notes on pages 64 to 112 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

(All amounts are expressed in thousands of Ghana Cedis unless otherwise stated)

	Note	The Group 2013	2012	The Bank 2013	2012
Assets					
Cash and cash equivalents	16	**278,383**	175,219	**278,383**	173,934
Government securities	17	**187,573**	292,445	**187,573**	292,445
Loans and advances to customers	18	**433,690**	274,373	**433,690**	274,373
Investment in associate	19	**-**	286	**-**	286
Investment in subsidiaries	24	**-**	-	**20**	20
Property and equipment	20	**29,199**	27,878	**29,161**	27,804
Intangible assets	21	**2,238**	1,616	**2,238**	1,616
Deferred income tax asset	22	**2,916**	5,693	**2,916**	5,693
Other assets	23	**57,059**	20,993	**57,353**	21,120
Total assets		**991,058**	798,503	**991,334**	797,291
Liabilities					
Due to other banks	25	**15,000**	17,000	**15,000**	17,000
Deposits from customers	26	**725,593**	545,352	**726,982**	545,352
Borrowings	27	**15,339**	18,782	**15,339**	18,782
Current income tax	14	**9,338**	8,169	**9,197**	7,872
Deferred income tax liabilities	22	**2,498**	1,873	**2,437**	1,812
Other liabilities	28	**6,771**	36,406	**6,742**	36,414
Total liabilities		**774,539**	627,582	**775,697**	627,232
Equity					
Stated capital	29	**118,275**	118,275	**118,275**	118,275
Statutory reserve	29	**48,656**	25,857	**48,682**	25,893
Credit risk reserve	29	**38,962**	14,993	**38,962**	14,993
Income surplus	29	**10,626**	11,796	**9,718**	10,898
Total equity		**216,519**	170,921	**215,637**	170,059
Total equity and liabilities		**991,058**	798,503	**991,334**	797,291

The financial statements were approved by the Board on 27 March 2014 and signed on its behalf by

Frank Beecham
Chairman

Dolapo Ogundimu
Managing Director

The notes on pages 64 to 112 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in thousands of Ghana Cedis unless otherwise stated)

The Group

	Stated Capital	Statutory Reserve	Credit risk Reserve	Income Surplus	Total
At 1 January 2012	81,162	8,577	2,591	6,635	98,965
Profit attributable to shareholders of the group	-	-	-	34,843	34,843
Transactions with owners recorded in equity					
share swap	37,113	-	-	-	37,113
Transfer to credit risk reserve	-	-	12,402	(12,402)	-
Transfer to statutory reserve	-	17,280	-	(17,280)	-
At 31 December 2012	118,275	25,857	14,993	11,796	170,921
At 1 January 2013	118,275	25,857	14,993	11,796	170,921
Total comprehensive income for the year	-	-	-	45,598	45,598
Transfer to credit risk reserve	-	-	23,969	(23,969)	-
Transfer to statutory reserve	-	22,799	-	(22,799)	-
At 31 December 2013	**118,275**	**48,656**	**38,962**	**10,626**	**216,519**

The Bank

	Stated Capital	Statutory Reserve	Credit risk Reserve	Income Surplus	Total
At 1 January 2012	81,162	8,577	2,591	5,985	98,315
Profit attributable to shareholders of the bank	-	-	-	34,631	34,631
Transactions with owners recorded in equity					
share swap	37,113	-	-	-	37,113
Transfer to credit risk reserve	-	-	12,402	(12,402)	-
Transfer to statutory reserve	-	17,316	-	(17,316)	-
At 31 December 2012	118,275	25,893	14,993	10,898	170,059
Balance at 1 January 2013	118,275	25,893	14,993	10,898	170,059
Total comprehensive income for the year	-	-	-	45,578	45,578
Transfer to credit risk reserve	-	-	23,969	(23,969)	-
Transfer to statutory reserve	-	22,789	-	(22,789)	-
At 31 December 2013	**118,275**	**48,682**	**38,962**	**9,718**	**215,637**

The notes on pages 64 to 112 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are expressed in thousands of Ghana Cedis unless otherwise stated)

For the year ended 31 December

		The Group		The Bank	
	Note	**2013**	2012	**2013**	2012
Cash flows from operating activities					
Profit before tax		**71,791**	46,811	**71,763**	46,528
Adjustments for:					
Depreciation of property, plant and equipment	20	**5,926**	5,822	**5,890**	5,667
Amortisation of intangible assets	21	**644**	532	**644**	532
Impairment on loans and advances		**(10,460)**	(21,463)	**(10,460)**	(21,463)
Profit on disposal of property and equipment	20	**(151)**	(12)	**(151)**	(12)
Change in loans and advances		**(148,857)**	148,597	**(148,857)**	148,597
Change in government securities		**104,872**	(4,300)	**104,872**	(4,300)
Change in other assets		**(36,066)**	10,784	**(36,233)**	11,400
Share of profit of equity accounted investee		**286**	101	**286**	101
Assets write-off	20	**-**	445	**-**	445
Change in deposits from customers		**180,241**	(239,389)	**181,630**	(239,389)
Change due to other banks		**(2,000)**	11,342	**(2,000)**	11,342
Change in other liabilities		**(29,635)**	(21,369)	**(29,672)**	(21,352)
Change in mandatory reserve deposit		**(14,691)**	(35,227)	**(14,816)**	(35,227)
Tax paid	14	**(21,622)**	(14,251)	**(21,458)**	(14,251)
Net cash generated from operating activities		**100,278**	(111,577)	**101,438**	(111,382)
Cash flows from investing activities					
Purchase of property and equipment	20	**(7,579)**	(4,698)	**(7,579)**	(4,698)
Purchase of intangible assets	21	**(1,266)**	(296)	**(1,266)**	(907)
Proceeds from sale of property and equipment	20	**483**	247	**483**	247
Net cash used in investing activities		**(8,362)**	(4,747)	**(8,362)**	(5,358)
Cash flows from financing activities					
Draw down on borrowings	27	**-**	11,000	**-**	11,000
Principal payment of borrowings	27	**(3,443)**	(3,030)	**(3,443)**	(3,030)
Net cash used in financing activities		**(3,443)**	7,970	**(3,443)**	7,970
Net increase in cash and cash equivalents		**88,473**	(108,354)	**89,633**	(108,770)
Cash and cash equivalents at 1 January	16	**124,607**	232,961	**123,322**	232,092
Cash and cash equivalents at 31 December	16	**213,080**	124,607	**212,955**	123,322

The notes on pages 64 to 112 are an integral part of these financial statements.

NOTES

1 Reporting entity

Access Bank (Ghana) Limited (the Bank) is a bank incorporated in Ghana. The address of the Bank's registered office is Starlets '91 Road, Opposite Accra Sports Stadium, P. O. Box GP 353, Osu, Accra. The consolidated financial statements of the Bank as at and for the year ended 31 December 2013 comprises the Bank and its subsidiary BTH Limited (together referred to as the Group). The Group, principally, is involved in corporate and retail banking as well as leasing operations. The Bank is a subsidiary of Access Bank Plc of Nigeria.

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the income statement, in these financial statements.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1963 (Act 179). The financial statements have been prepared under the historical cost convention as modified by the fair valuation of financial assets and liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.1.1 Basis of measurement

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required under the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act, 2007 (Act 738) have been included, where appropriate. The consolidated financial statements have been prepared under the historical cost convention.

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

These consolidated financial statements are presented in the Ghana Cedi which is the Group's functional currency.

2.1.2 Use of accounting estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

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

2.2 Changes in accounting policies and disclosures

> (i) New and amended standards adopted by the Bank

The following standards have been adopted by the Bank for the first time for the financial year beginning on 1 January 2013 that would be expected to have a material impact on the Bank.

Amendment to IAS 1, 'Presentation of Financial Statements ' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'Other Comprehensive Income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment only affects presentation on the face of the statement of comprehensive income.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare financial statements in accordance with US GAAP. The impact has been an increased disclosure in the financial statements.

IFRS 10, 'Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. See Note 43 for the impact on the financial statements.

IFRS 11, 'Joint arrangements',focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

IFRS 12, 'Disclosures of interests in other entities',includes the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, structured entities and other off-balance sheet vehicles. The impact of adopting of IFRS 12 has been increased disclosures in the financial statements.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The adoption of IFRS 13 has increased the extent of fair value disclosures in the financial statements.
Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

There are no other new or revised standards or interpretations issued and effective that would be expected to have a material impact on the Bank.

> (ii) New and amended standards not yet adopted by the Bank

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Bank, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. The Bank is yet to assess IFRS 9's full impact. The Bank will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when liability should be recognised. The impact of this on the Bank relates to the payment of the National Fiscal Stabilisation Levy.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Bank.

2.3 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency using exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are re-translated at inter-bank mid closing rates ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at exchange rates ruling at the dates of initial recognition. Non-monetary items denominated in a foreign currency that are measured at fair value are translated at exchange rates ruling at the date when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from retranslation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in profit or loss, except for differences on translation of equity investments in respect of which an election has been made to present subsequent changes in fair value and differences arising on translation of available-for-sale equity investments in other comprehensive income.

All foreign exchange gains and losses recognised in profit or loss are presented as net within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

2.4 Consolidation

> (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which

NOTES (CONTINUED)

the Group has control. The Group controls an entity when the Group 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at fair value. However, non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are recognised at either fair value or a proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired which is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

> (b) Changes in ownership interests in subsidiaries without change of control

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

> (c) Disposal of subsidiaries

When the Group ceases to control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

> (d) Associates

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

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

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

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount.

Profits and losses resulting from upstream and downstream transactions between the Group and the associates are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

2.5 Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses. The calculation includes all transaction costs, fees and points paid or received that are an integral part of the effective interest rate.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount future cash flows for the purpose of measuring the impairment loss.

2.6 Fee and commission income

Fees and commissions are recognised on an accrual basis when the related services are performed. Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognised on a straight line basis over the commitment period. Fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are received.

2.7 Net trading income

Net trading income comprises gains less losses relating to trading assets and liabilities including realised and unrealised fair value changes, interest and foreign exchange differences.

2.8 Dividend income

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

2.9 Leases

Minimum lease payments under finance leases are apportioned between finance expense and the outstanding lease liability. The finance expense is allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leases under which the Group assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset. All other leases are classified as operating leases.

Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease. When an operating lease is terminated before the lease has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Minimum lease payments under finance leases are apportioned between finance expense and the outstanding lease liability. The finance expense is allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.10 Financial assets and liabilities

All financial assets and liabilities are recognised in the statement of financial position and measured in accordance with their assigned category.

2.10.1 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, held to maturity and available-for-sale. Management determines the classification of its financial assets at initial recognition.

> i) Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

i . Those that the Group intends to sell immediately or in the short-term which are classified as held-for-trading and those that upon initial recognition are designated at fair value through profit or loss;

ii.Those that upon initial recognition are designated as available-for-sale; or
iii .Those for which the holder may not recover substantially all of the initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the effective interest method. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in profit and loss as 'loan impairment charges'.

> ii) Held-to-maturity

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

Held to maturity assets are initially recognized at fair value and

NOTES (CONTINUED)

subsequently carried at amortised cost using the effective interest method less any impairment losses. Any sale or reclassification of a significant amount of held-to-maturity asset not close to their maturity would result in the reclassification of all held-to-maturity assets as available-for-sale with the difference between amortised cost and fair value being accounted for in other comprehensive income.

> iii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit and loss. Dividends on available-for- sale equity instruments are recognised in profit and loss in 'Dividend income' when the Group's right to receive payment is established.

2.10.2 Financial liabilities

Financial liabilities are held at amortised cost. Financial liabilities measured at amortised cost include deposits from related entities, customers or debt securities in issue, convertible bonds and subordinated debts for which the fair value option is not applied.

2.10.3 Determination of fair value

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities quoted on Stock Exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry bank, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, yield curve, foreign exchange rates and counterparty spreads) existing at the reporting dates.

2.10.4 Recognition

The Group recognises financial assets and liabilities on the trade date on which they are originated, when the Group becomes party to the contractual provisions of the instrument.

2.10.5 Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset expire or the Group transfers substantially all the risks and rewards of ownership. Any interest in the transferred financial asset that is created or retrieved is recognised as a separate asset or liability. Financial liabilities are derecognised when contractual obligations are discharged, cancelled or expire.

2.10.6 Reclassification of financial assets

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

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

2.11 Impairment of financial assets

> i) Assets carried at amortised cost

The Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired at each reporting date. A financial asset or a group of financial assets is considered impaired only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used to determine whether there is objective evidence of an impairment loss include:
i) Significant financial difficulty faced by the issuer or obligor;

ii) A breach in the form of default or delinquency in interest or principal payments;

iii) Granting the borrower, as a result of financial difficulty, a concession that the lender would not otherwise consider;

iv) A likely probability that the borrower will enter bankruptcy or other financial reorganisation; and

v) The disappearance of an active market for that financial asset because of financial difficulties.

The Group assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of estimated future cash flows of a collateralised financial asset reflects cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in groups of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period including property prices, payment status and other factors indicative of changes in the probability of losses and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all necessary procedures have been completed and the amount of loss has been determined. Impairment charges relating to loans and advances are recognised in loan impairment charges whilst impairment charges relating to investment securities (held-to-maturity and loans and receivables categories) are recognised in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can objectively be related to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

> ii) Assets classified as available-for-sale

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through other comprehensive income.

> iii) Renegotiated loans

Loans that are either subject to collective or individually significant impairment assessment and whose terms have been renegotiated are considered to be past due unless renegotiated terms are adhered to and current repayments suggest otherwise.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash on hand, deposits held at call and other short-term highly liquid

NOTES (CONTINUED)

investments with original maturities of three months or less.

2.14 Investment securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as held-to-maturity, fair value through profit and loss or available-for-sale.

2.15 Property and equipment

> i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on the disposal of an item of property and equipment is determined by comparing the proceeds from the disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

> ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

> iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and corresponding periods are as follows:

Leasehold land and buildings	2%
Leasehold improvements	20%
Furniture, fittings and equipment	20%
Computers	33.33%
Motor vehicles	25%

2.16 Computer software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

2.17 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

2.18 Deposits and debt securities issued

Deposits and debt securities issued are the Group's sources of debt funding. The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

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

2.19 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.20 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that, it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

2.21 Stated capital and reserves

> i) Stated capital

The Group classifies capital and equity instruments in accordance with the contractual terms of the instrument. The Group's share capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors. Accordingly, they are presented as a component of issued capital within equity.

> ii) Dividend on ordinary shares

Dividends on ordinary shares are recognised in the period in which they are approved by the shareholders.
Dividend proposed, which is yet to be approved by shareholders, is disclosed by way of notes.

2.22 Earnings per share

The Group presents basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

2.23 Segment Reporting

Segment results that are reported to the Group's Managing Director (being the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.
Unallocated items comprise mainly operating expenses, tax assets and liabilities.

2.24 Financial guarantees

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

2.25 Employee benefits

> i) Defined contribution plans

A defined contribution plan is a retirement benefit plan under the which the Group pays fixed contributions into a separate entity. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year in which they fall due. The Group

NOTES (CONTINUED)

has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Under the national pension scheme, the Group contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Group's obligation is limited to the relevant contributions which were settled on due dates. The pension liabilities and obligations rest with SSNIT.

Short-term employee benefits such as salaries, paid absences, and other benefits are accounted for on an accrual basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Group has a present obligation to its employees that can be measured reliably.

> ii) Provident fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period with the Group. Employees contribute 5% of their basic salary to the Fund whilst the Group contributes 7.5%. Obligations under the plan are limited to the relevant contributions which are remitted on due dates to the fund manager.

2.26 Post balance sheet events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

3 Financial risk management

The Bank's activities expose the business to risks. These risks are managed professionally and in a targeted manner. Key risks arising from core functions are identified and measured to facilitate managing and determining risk positions and capital allocations. The Bank has exposure to the following types of risks from its use of financial instruments: credit risk, liquidity risk and market risks. The Bank continues to assess its overall risk management framework and governance structure.

> i) Risk-management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk-management framework. The Audit and Risk Management Committee of the Board is responsible for developing and monitoring the Group's risk-management policies over specified areas.

The Committee is complemented by the Risk Management unit in co-ordinating the process of monitoring and reporting of risks in the Group.

The Group has adopted the concept of enterprise-wide risk management referred to as Enterprise Risk Management (ERM). ERM is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost-effective manner. It is an integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities.
These include the:

- Establishment of the Group's risk philosophy, culture and objectives;
- Establishment of the Group's risk-management governance framework;
- Articulation of the Group's risk management to stakeholders and the development of an action plan to meet their risk-management expectations and
- Establishment of policies and procedures to identify, measure, monitor, report and control the risks the Group faces.

The Group's risk management framework places significant emphasis on:
- Establishing a strong, independent Risk-Management Function to champion, coordinate and monitor the enterprise-wide risk methodology across the Bank and its subsidiaries;
- Formally assigning accountability and responsibility for risk management and
- Breaking the Bank's risk universe down into manageable, tailored, well-resourced and specialized components.

3.1 Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Group considers all elements of credit risk exposure.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower or group of borrowers and to industry segments. Such risks are monitored on a revolving basis and subject to annual or more frequent review. Limits on the level of credit risk by product and industry sector are approved by the Board of Directors.

The exposure to any one borrower, including banks, is further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against limits are monitored daily.

The Group employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Group reviews the acceptability of specific classes of collateral for credit risk mitigation. The principal collateral types for loans and advances are mortgages over residential properties, charges over business assets such as premises inventory and accounts receivable and charges over financial instruments such as debt securities and equities.

3.1.1 Exposure to credit risk

> Risk grading

A risk rating is a grade given to a loan (or group of loans) reflecting its quality. The ratings are either stated in numbers or as a description from one (1) to eight (8).

The Group's internal rating scale is as follows:

Description	Ratings	Characteristics of Credits
Superior Credits	1	They are credits that have an overwhelming capacity to repay obligations. The business has adequate cash flow and high quality revenue from continuing business. It has a strong equity when related to the quality of its assets with a track record of at least consistent profit for three (3) years. Good depth and breadth of management with an industry dominance leverage over its customers and suppliers. Full cash collateralised credits are classified as Superior Credits.
Above average Credits	2	These have a majority of attributes of superior credits but may have weaknesses in not more than two of the characteristics of superior credits. These weaknesses should not impair repayment capacity of the borrower
Acceptable Credits	3	Average credits have most of the attributes of Above Average Credits but may have one or more of the following weaknesses which, if not closely managed, could impair repayment capacity of the borrower: Low capitalisation and equity base, short track record, low market share, price control on its products and highly cyclical demand.
Description	Ratings	Characteristics of Credits
Watch-list Credits/ Other Loans Exceptionally Mentioned (OLEM)	4	This category applies to existing credits that have shown signs of deterioration because they have well-defined weaknesses which could affect the ability of the borrower to repay. Immediate corrective actions are set in motion to avoid complete loss.
Substandard and Doubtful	5	This rate is applied where a strong doubt exists that a full repayment of principal and interest will occur. The exact extent of the potential loss is not however certain at the time of classification. Some attributes are interest and principal past due for 90 days or more, borrower has recorded losses consistently for 2 years, borrower's net worth is grossly eroded due to major business failure or disaster and security offered has deteriorated.
Bad and Lost	6-8	This applies when all or part of the outstanding loans are uncollectible based on present conditions. Attributes are principal and interest overdue and unpaid for more than 180 days, legal processes to do not guarantee full recovery of outstanding debt, client's request for a waiver of part of interest accrued has been granted, borrower is under receivership or in the process of liquidation, borrower has absconded and or documentation is shoddy or incomplete to pursue recovery through legal means.

NOTES (CONTINUED)

3.1.1 Exposure to credit risk (continued)

	2013	2012
Gross amount	445,534	323,406
Individually impaired		
Grade 6: Impaired	486	10,951
Grade 7: Impaired	433	22,131
Grade 8: Impaired	26,316	37,096
Gross amount	27,235	70,178
Allowance for impairment	(9,821)	(45,826)
Carrying amount	17,414	24,352
Collectively impaired		
Grade 1-3: Low-fair risk	380,179	205,205
Grade 4-5: Watch list	37,940	48,023
Gross amount	418,119	253,228
Allowance for impairment	(1,844)	(3,207)
Carrying amount	433,690	274,373

	2013	2012
Past due but not impaired		
Grade 4-5: Watch list	37,940	12,709
Gross amount	37,940	12,709
Past due:		
90-180 days	17,911	10,951
180 days +	20,029	71,936
Gross amount	37,940	82,887

Credit risk exposures relating to off-balance sheet items are as follows:

Contingent liabilities:		
Bonds and guarantees	90,983	30,658
Commitments:		
Clean Line Facilities for Letters of Credit	339,764	174,229

3.1.2 Impaired loans

Individually impaired loans are loans and advances for which the Group determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loan/security agreement(s). These loans are graded 6 to 8 in the Group's internal credit risk grading system.

3.1.3 Past due but not impaired loans

Past due but not impaired loans are those for which contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.

3.1.4 Allowances for impairment

The Group establishes an allowance for impairment losses carried at amortised cost that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loan loss allowance, established for banks of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

3.1.5 Loans and advances with renegotiated terms

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

3.1.6 Write-off policy

The Group writes off a loan/security balance (and any related allowances for impairment losses) when the Group's Credit Committee determines that the loans/securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower/issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge-off decisions are generally based on a product specific past due status. All write-off decisions are sanctioned by the board of directors with subsequent approval in writing by the Bank of Ghana before they are effected.

NOTES (CONTINUED)

3.1.6 Write-off policy (continued)

At 31 December 2013	Loans and Advances to Customers Gross	Net
Grade 6: Individually impaired	486	311
Grade 7: Individually impaired	433	277
Grade 8: Individually impaired	6,316	16,827
Total	27,235	17,415

At 31 December 2012

Grade 6: Individually impaired	10,951	2,607
Grade 7: Individually impaired	22,131	13,876
Grade 8: Individually impaired	37,096	7,869
Total	70,178	24,352

3.1.7 Collateral held and their financial effect

The Group holds collaterals against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets and guarantees. Estimates of forced-sale value are based on the value of collaterals assessed at the time of borrowing and, generally, are not updated except when a loan is individually assessed as impaired. Collaterals generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity.

Collaterals are usually not held against investment securities, and no such collateral was held as at 31 December 2013 (2012: no collateral held).

An estimate made at the time of borrowing of the force sale value of collateral and other security enhancements held against loans and advances to customers and banks is shown below:

The Group and The Bank

	Loans and advances to customers	
	2013	2012
Against individually impaired:		
Property	**57,611**	76,927
Others	**41,172**	21,653
Against collectively impaired:		
Property	**197,937**	76,229
Others	**206,179**	394,135
Against past due but not impaired:		
Property	**43 ,354**	98,553
Others	**23,876**	58,088
Total	**570,129**	725,585

Details of financial and non-financial assets obtained by the Group during the year by taking possession of collateral held as security against loans and advances as well as calls made on credit enhancements and held at the year ended 31 December are shown below:
The Group's policy is to pursue timely realisation of the collateral in an orderly manner. The Group generally does not use the non-cash collateral for its own operations.

3.1.8 Concentration of credit risk

The Group monitors concentrations of credit risk by product, by industry and by customer. An analysis of concentrations of credit risk at the

The Group and The Bank

	2013	2012
Property	**298,902**	251,7 09
Others	**271,227**	473,876
Total	**570,129**	725,585

NOTES (CONTINUED)

In Thousands of Ghana Cedis	**Loans and Advances to Customers** **2013**	2012
Carrying amount	**433,690**	274,373
Concentration by product		
Overdraft	**159,258**	161,523
Term loan	**271,838**	149,936
Staff loan reporting date is shown below:	**7,970**	10,687
Finance leases	**6,289**	1,260
Gross loans and advances	**445,355**	323,406
Less: Impairment	**(11,665)**	(49,033)
Carrying amount	**433,690**	274,373
Concentration by industry		
Financial institutions	**3,370**	842
Agriculture	**-**	42
Manufacturing	**81,798**	43,114
Public sector	**16,575**	26,755
Transport and Communication	**23,824**	38,974
Energy	**34,273**	180
Staff	**7,970**	10,687
General commerce	**155,601**	110,265
Construction and real estate	**58,592**	41,935
Mining, Oil and Gas	**46,750**	17,473
Miscellaneous	**16,602**	33,139
Gross loans and advances	**445,355**	323,406
Less: Impairment	**(11,665)**	(49,033)
Carrying amount	**433,690**	274,373
Concentration by Customer		
Individuals	**9,276**	10,687
Private enterprise	**436,079**	312,719
Gross loans and advances	**445,355**	323,406
Less: Impairment	**(11,665)**	(49,033)
Carrying amount	**433,690**	274,373

3.1.8 Concentration of credit risk (continued)

Concentration by industry for loans and advances are measured based on the industry in which the customer operates. Where the nature of business operation of a client cannot be clearly identified, it is classified as miscellaneous.

3.1.9 Key ratios on loans and advances

Loan loss provision ratio is 23.98% (2012: 15.16%).

Percentage of gross non-performing loans with respect to Bank of Ghana's Prudential Norms (specifically impaired) to total gross loans and advances is 9.79% (2012: 25.63%).

The fifty (50) largest exposure (gross-funded and non-funded) constitute 72.92% (2012: 31%) of the Bank's total exposure.

Concentration by industry for loans and advances are measured based on the industry in which the customer operates. Where the nature of business operation of a client cannot be clearly identified, it is classified as miscellaneous.

3.1.10 Investments securities

Investment securities amounting to GH¢187,573 (2012: GH¢292,445). These represent the maximum credit risk exposure and are held in the Government of Ghana Treasury Bills and bonds and are not considered exposed to credit risk.

3.1.11 Due from other financial institutions

Included in cash and cash equivalents is an amount of GH¢94,225 representing placements with other financial institutions at 31 December 2013 (2012: GH¢24,806). These represent the maximum credit risk exposure and are held with only reputable established financial institutions and are not considered impaired.

3.2 Liquidity risk

The Group defines liquidity risks as the risk in which the Group will encounter difficulty meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Group maintains a liquidity limit imposed by its local regulator, the Bank of Ghana and the overall liquidity has always been within the regulatory limit of the Bank of Ghana.

Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets. The Group aims to be in a position to meet all obligations, repay depositors, fulfill commitments to lend and meet any other commitments.

The Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank.

All liquidity policies and procedures are subject to review and approval by the Asset and Liability Committee (ALCO). Daily reports on the liquidity position of the Bank is submitted to senior management, and a summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on a monthly basis.

3.2.1 Exposure to liquidity risk

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment for which there is an active and liquid market less any deposits from banks. The Group also uses gap analysis to determine the liquidity position of the Group and, where necessary, recommend remedial action.

3.2.2 Maturity analysis for financial assets and liabilities

The table below presents cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date adjusted to reflect behavioural character of deposits. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages liquidity risk taking into account the behavioural characteristics of deposits.

NOTES (CONTINUED)

3.2.2 Maturity analysis for financial assets and liabilities (CONTINUED)

The Group

At 31 December 2013

	Total amount	Less than 1 month	Less than 3 months	3 months to 1 year	1-5 years
Non-derivative liabilities					
Due to other banks	**17,442**	**17,442**	**-**	**-**	**-**
Deposits from customers	**761,873**	**258,818**	**323,136**	**110,353**	**69,566**
Borrowings	**16,026**	**-**	**475**	**1,151**	**14,400**
Other liabilities	**6,771**	**1,354**	**959**	**2,878**	**1,580**
	802,112	**277,614**	**324,570**	**114,382**	**85,546**
Non-derivative assets					
Cash and cash equivalents	**278,383**	**278,383**	**-**	**-**	**-**
Government securities	**187,573**	**38,180**	**76,361**	**57,810**	**15,222**
Loans and advances to customers	**433,690**	**56,977**	**113,953**	**165,062**	**97,698**
	899,646	**373,540**	**190,314**	**222,872**	**112,920**

At 31 December 2012

Non-derivative liabilities					
Due to other banks	20,060	14,060	6,000	-	-
Deposits from customers	572,620	213,847	94,868	226,032	37,873
Borrowings	19,234	691	-	1,875	16,668
Other liabilities	36,406	7,281	6,533	19,599	2,993
	648,860	235,879	107,401	247,506	57,534
Non-derivative assets					
Cash and cash equivalents	175,219	175,219	-	-	-
Government securities	292,445	107,226	48,014	99,801	37,404
Loans and advances to customers	274,373	52,930	26,172	117,570	77,701
	742,037	335,375	74,186	217,371	115,105

3.2.2 Maturity analysis for financial assets and liabilities (continued)

The Bank

At 31 December 2013

	Total amount	Less than 1 month	Less than 3 months	3 months to 1 year	1-5 years
Non-derivatives assets					
Due to other banks	**17,442**	**17,442**	**-**	**-**	**-**
Deposits from customers	**763,331**	**260,207**	**323,136**	**110,353**	**69,635**
Borrowings	**16,026**	**-**			**14,400**
Other liabilities	**6,742**	**1,348**	**953**	**2,861**	**1,580**
	803,541	**278,997**	**324,564**	**114,365**	**85,615**

	Total amount	Less than 1 month	Less than 3 months	3 months to 1 year	1-5 years
Non-derivatives assets					
Cash and cash equivalents	**278,383**	**278,383**	**-**	**-**	**-**
Government securities	**187,573**	**38,180**	**76,361**	**57,810**	**15,222**
Loans and advances to customers	**433,690**	**56,977**	**113,953**	**165,062**	**97,698**
	899,646	**373,540**	**190,314**	**222,872**	**112,920**

At 31 December 2012

	Total amount	Less than 1 month	Less than 3 months	3 months to 1 year	1-5 years
Non- derivatives liabilities					
Due to other banks	20,060	11,000	6,000	-	3,060
Deposits from customers	572,620	213,847	94,868	226,032	37,873
Borrowings	19,234	691	-	1,875	16,668
Other liabilities	36,414	7,283	6,535	19,603	2,993
	648,328	232,821	107,403	247,510	60,594

	Total amount	Less than 1 month	Less than 3 months	3 months to 1 year	1-5 years
Non-derivatives assets					
Cash and cash equivalents	173,934	173,934	-	-	-
Government securities	292,445	107,226	48,014	99,801	37,404
Loans and advances to customers	274,373	52,930	26,172	117,570	77,701
	740,752	334,090	74,186	217,371	115,105

NOTES (CONTINUED)

3.3 Market risk

Market risk is the risk that changes in market prices such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

> (i) Management of market risks

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios are mainly held by the Treasury Group and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.
All foreign exchange risk within the Group are monitored by the Treasury Group. Accordingly, the foreign exchange position is treated as part of the Group's trading portfolios for risk management purposes.
Overall authority for market risk is vested in the ALCO. The Risk Management unit is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

> (ii) Exposure to market risks – trading portfolios

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is the open position limits using the Earnings-at-Risk approach. Specified limits have been set for open position limits which are the expected maximum exposure the Group is to be exposed to.

> (iii) Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management in its day-to-day monitoring activities. A summary of the Group's exposure to interest rate risk on non-trading portfolios is as follows:

3.3 Market risk (continued)

The Group

At 31 December 2013

	Carrying Amount	Less than3 months	3-6 months	6-12 months	1-5years
Cash and cash equivalents	278,383	278,383	-	-	-
Government securities	187,573	38,180	76,361	57,810	15,222
Loans and advances to customers	433,690	56,977	113,953	165,062	97,698
Total assets	899,646	373,540	190,314	222,872	112,920
Due to other banks	15,000	15,000	-	-	-
Deposit from customers	725,593	258,818	323,136	110,353	33,286
Borrowings	15,339	-	475	1,151	13,713
Total liabilities	755,932	273,818	323,611	111,504	46,999
Total interest repricing gap	143,711	99,722	(133,297)	111,368	65,921

At 31 December 2012

	Carrying Amount	Less than 3 month	3-6 months	6months to 1 year	1-5years
Cash and cash equivalents	175,219	175,219	-	-	-
Government securities	292,445	107,226	48,014	99,801	37,404
Loans and advances to customers	274,373	52,930	26,172	117,570	77,701
Total assets	742,037	335,375	74,186	217,371	115,105
Due to other banks	17,000	17,000	-	-	-
Deposit from customers	545,352	300,460	118,244	107,788	18,860
Borrowings	18,782	691	1,875	-	16,216
Total liabilities	581,134	318,151	120,119	107,788	35,076
Total interest repricing gap	160,903	17,224	(45,933)	109,583	80,029

NOTES (CONTINUED)

The Bank

At 31 December 2013

	Carrying Amount	Less than 1 month	1-3 months	3months to 1 year	1-5years
Cash and cash equivalents	278,383	278,383	-	-	-
Government securities	187,573	38,180	76,361	57,810	15,222
Loans and advances to customers	433,690	56,977	113,953	165,062	97,698
Total assets	899,646	373,540	190,314	222,872	112,920
Due to other banks	15,000	15,000	-	-	-
Deposit from customers	726,982	260,207	323,136	110,353	33,286
Borrowings	15,339	-	475	1,151	13,713
Total liabilities	757,321	275,207	323,611	111,504	46,999
Total interest repricing gap	142,325	98,333	(133,297)	111,368	65,921

At 31 December 2012

	Carrying Amount	Less than 3 months	3-6 months	6months to 1 year	1-5years
Cash and cash equivalents	173,934	173,934	-	-	-
Government securities	292,445	107,226	48,014	99,801	37,404
Loans and advances to customers	274,373	52,930	26,172	117,570	77,701
Total assets	740,752	334,090	74,186	217,371	115,105
Due to other banks	17,000	17,000	-	-	-
Deposit from customers	545,352	290,486	140,549	95,162	19,155
Borrowings	18,782	-	-	-	18,782
Total liabilities	581,134	307,486	140,549	95,162	37,937
Total interest repricing gap	159,618	26,604	(66,363)	122,209	77,168

3.3 Market risk (continued)

> Sensitivity analysis

An increase of a 100 basis points in interest rates at the reporting date would have impacted equity and profit/(loss) by the amounts shown below:

Sensitivity Analysis of Interest rate risks - increase/decrease of 100 basis points in net interest margin

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
Interest income impact	**2,701**	3,710	**2,701**	3,704
Interest expenses impact	**(822)**	(2,906)	**(822)**	(2,906)
Net impact	**1,879**	804	**1,879**	798

A decrease of a 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

Assuming no management action, a series of such rises would increase net interest income for 2013 by GH¢1,879,000 (2012: GH¢804,000) while a series of such falls would decrease net interest income for 2013 by GH¢1,879,000 (2012: GH¢804,000).

The Group monitors live interest and exchange rates to facilitate trading by the Treasury department. This will help the Group to know what is happening at any moment in time on the market and where opportunities are present to make gains from high interest rates. The Group does not embark on hedging of its interest rate risk and foreign currency risk.

NOTES (CONTINUED)

3.3.2 Foreign exchange risk

The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarises the Group's exposure to foreign exchange risk as at 31 December 2013. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency:

The Group and the Bank
At 31 December 2013

	GH¢	US$	GBP	EURO	Total
Assets					
Cash and cash equivalents	177,415	91,963	1,869	7,134	278,382
Government securities	187,573	-	-	-	187,573
Loansand advances	338,089	95,601	-	-	433,690
	703,077	187,564	1,869	7,134	899,645
Liabilities					
Deposit from customers	480,949	192,731	2,21	49,700	725,593
Due to other banks	15,000	-	-	-	15,000
Borrowings	15,339	-	-	-	15,33
	511,288	192,731	2,213	49,700	755,932
Net on-balance sheet financial position	191,789	(5,167)	(344)	(42,566)	143,71
Credit commitments	75,479	350,926	-	4,342	430,747

The Group and the Bank

At 31 December 2012

	GH¢	US$	GBP	EURO	Total
Assets					
Cash and cash equivalents	95,828	66,824	5,274	7,293	175,219
Government securities	292,445	-	-	-	292,445
Loans and advances	206,939	66,887	-	547	274,373
	595,212	133,711	5,274	7,840	742,037
Liabilities					
Deposit from customers	408,977	127,217	2,876	6,282	545,35
Due to other banks	17,000	-	-	-	17,000
Borrowings	18,782	-	-	-	18,782
	444,759	127,217	2,876	6,282	581,134
Net on-balance sheet financial position	150,453	6,494	2,398	1,558	160,905
Credit commitments	125,496	66,824	5,274	7,293	204,887

3.3.2 Foreign exchange risk (continued)

> Sensitivity analysis

A 5% strengthening of the cedi against foreign currencies at 31 December 2013 would have impacted equity and profit/(loss) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

	2013	2012
Profit/(Loss)	**1,562**	(9,063)

A best case scenario of 5% weakening of the Ghana cedi against foreign currencies at 31 December would have had the equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

3.4 Capital management
3.4.1 Regulatory capital

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

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

- Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after tax, income surplus, retained profits and general statutory reserves.

- Tier 2 capital, also referred to as supplementary/secondary capital includes revaluation reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

Risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' returns is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

3.5 Capital management
3.5.2 Capital adequacy ratio

The Group complied with the statutory capital requirements throughout the period. There have been no material changes in the Group's management of capital during this period.

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

NOTES (CONTINUED)

3.5.2 Capital adequacy ratio (CONTINUED)

	2013	2012
Tier 1 capital		
Ordinary issued share I	**118,275**	118,275
Disclosed reserves	**58,400**	37,653
Shareholders' fund	**176,675**	155,928
Less:		
Intangible assets	**3,959**	5,186
Total qualifying tier 1 capital	**172,716**	150,742
Tier 2 Capital		
Fair value reserve available	**-**	-
For sale securities	**-**	-
Total regulatory capital	**172,716**	150,742
Adjusted risk-weighted assets	**555,137**	399,517
Risk-weighted contingent liabilities	**430,747**	204,887
Risk-adjusted net open position	**24,338**	6,107
100% of 3-year average annual gross income	**77,484**	8,168
Risk-weighted assets	**1,087,706**	668,679
Total regulatory capital expressed as a percentage of total risk-weighted assets is	**15.88%**	22.54%

3.5.3 Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases, the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Bank's Risk Management and Credit Administration Units, and is subject to review by the Bank's Credit Committee or ALCO as appropriate.

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

4 Use of estimates and judgements

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required, in conformity with IFRS, are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are evaluated on a continuous basis and are based on past experience and other factors including expectations with regard to future events.

Accounting policies and Directors' judgements for certain items are especially critical for the Bank's results and financial situation due to their materiality.

4.1 Key sources of estimation uncertainty

> i. Allowances for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy Note2.11.

The specific component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the ALCO.

Collectively, assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flow for specific allowances and the model assumptions and parameters used in determining collective allowances. Were the net present value of estimated cash flows to differ by +/-1%, the impairment loss would have been estimated at GH¢104,600 higher or lower.

4.2 Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 2.10.3.

A component of collectively assessed allowances is for country risks. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled as described in accounting policy Note 2.10.3.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The Bank's accounting policy on fair value measurements is discussed in Note 2.10.3.

4.3 Financial assets and liabilities classification

The Bank's accounting policies provide a scope for assets and liabilities to be designated at inception into the accounting categories respectively described in Notes 2.8.1 and 2.8.2. Details of the Bank's classification of financial assets and liabilities are given in Note 6.

In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 2.10.6.

In accordance with IAS 39 guidance, the Bank classifies some non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Bank is required to reclassify the entire category as available-for-sale. Accordingly, the investments would be measured at fair value instead of amortised cost. If all

NOTES (CONTINUED)

held-to-maturity investments were to be so reclassified, the carrying value would increase by GH¢6,213,000 with a corresponding entry in the fair value reserve in shareholders' equity.
Details of the Bank's classification of financial assets and liabilities are given in Note 6.

4.2 Determination of impairment of property and equipment and intangible assets, excluding goodwill

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

5. Segment reporting

The Group has four reportable segments, as summarised below, which are the Group's strategic business divisions. These divisions offer different products and services, and are managed separately based on the Group's management and internal reporting structure. For each of the divisions, the Group's Managing Director reviews the internal management reports on at least a monthly basis. Below is the list of the Group's divisions:

- Institutional Banking;
- Commercial Banking;
- Retail Banking; and
- Financial Markets.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating income, included in the internal management reports that are reviewed by the Managing Director. Segment profit is used to measure performance, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other divisions in the Group. Inter-segment pricing is determined on an arm's length basis.

5. Segment reporting (continued)

The Group

Information about reportable segments
Year ended 31 December 2013

	Institutional Banking	Commercial Banking	Retail Banking	Financial Markets	Unallocated	Total
Revenue:						
From external customers	60,431	34,309	34,933	31,761	-	161,434
From other business segments	11,809	3,378	8,738	1,748	-	25,673
	72,240	37,687	43,671	33,509	-	187,107
Interest expense	(7,422)	(7,517)	(18,100)	(6,542)	-	(39,581)
Operating income	64,818	30,170	25,571	26,967	-	147,526
Assets and liabilities:						
Segment assets	465,280	209,954	166,437	149351	-	991,058
Total assets	465,280	209,954	166,437	149351	-	991,058
Segment liabilities	358,201	128,281	247,647	40,376	-	774,539
Unallocated segment liabilities	-	-	-	-	-	-
Total liabilities	358,201	128,281	247,647	40,376	-	774,539
Net assets	107,079	81,673	(81,210)	108,977	-	216,519

Year ended 31 December 2012

	Institutional Banking	Commercial Banking	Retail Banking	Financial Markets	Unallocated	Total
Revenue:						
From external customers	54,672	23,270	11,284	21,381	26,992	137,599
From other business segments	13,903	3,778	10,220	1,819	1,526	31,246
	68,575	27,048	21,504	23,200	28,518	168,845
Interest expense	(849)	(9,526)	(14,178)	(10,256)	(7,641)	(42,450)
Operating income	67,726	17,522	7,326	12,944	20,877	126,395
Assets and liabilities:						
Segment assets	182,574	72,584	23,824	-	360,648	639,630
Unallocated segment assets	-	-	-	-	158,874	158,874
Total assets	182,574	72,584	23,824	-	519,522	798,504
Segment liabilities	(226,187)	(106,819)	(207,368)	(14,224)	(29,924)	(584,522)
Unallocated segment liabilities	-		-	-	(43,060)	(43,060)
Total liabilities	(226,187)	(106,819)	(207,368)	(14,224)	(72,984)	(626,582)
Net assets	(43,613)	(34,235)	(183,544)	14,224	446,538	170,922

NOTES (CONTINUED)

6. Financial Assets and Liabilities
6.1 Accounting Classification, Measurement Basis and Fair Values

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

31 December 2013

	Held-to Maturity	Loans & Receivables	Total	Fair Value
Cash and cash equivalents	-	278,383	278,383	278,383
Government securities assets	187,573	-	187,573	179,288
Loans and advances to customers	-	433,690	433,690	429,353
	-	712,073	899,646	887,024
Due to other banks	-	15,000	15,000	14,850
Deposits from customers	-	725,593	725,593	718,337
Borrowings	-	15,339	15,339	15,032
	-	755,932	755,932	748,219

31 December 2012

	Held-to Maturity	Loans & Receivables	Total	Fair Value
Cash and cash equivalents	-	175,219	175,219	175,219
Government securities assets	292,445	-	292,445	279 460
Loans and advances to customers	-	274,373	274,373	271,612
	292,445	449,592	742,037	726,291
Due to other banks	-	17,000	17,000	16,830
Deposits from customers	-	545,352	545,352	539,898
Borrowings	-	18,782	18,782	18,406
	-	581,134	581,134	575,134

6.1.1 Loans and advances to customers

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

6.1.2 Government securities

The fair value of investment securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is rated using quoted market prices for securities with similar credit, maturity and yield characteristics. All available for sale assets are measured and carried at fair value.

6.1.3 Deposits from banks and customers

The estimated fair value of deposits with no stated maturity dates which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar maturity profiles.

7. Net interest income

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
Interest income				
Loans and advances to customers	**74,818**	79,081	**74,818**	79,081
Placement with other banks	**3,676**	1,807	**3,676**	1,807
Investment securities	**51,561**	34,563	**51,561**	34,563
Total interest income	**130,055**	115,451	**130,055**	115,451
Interest expense				
Demand deposits	**2,151**	7,824	**2,151**	7,824
Time and other deposits	**33,581**	32,926	**33,581**	32,926
Savings deposits	**3,849**	1,700	**3,849**	1,700
Total interest expense	**39,581**	42,450	**39,581**	42,450
Net interest income	**90,474**	73,001	**90,474**	73,001

NOTES (CONTINUED)

8. Commissions and fees income

	2013 The Group	2012 The Group	2013 The Bank	2012 The Bank
Fees on loan and advances	**12,962**	14,316	**12,962**	14,316
Customer account servicing fees	**18,102**	19,995	**18,102**	19,995
Letters of credit issued	**4,610**	5,092	**4,610**	5,092
Other fees	**37**	409	**372**	409
	36,046	39,812	**36,046**	39,812

9. Net trading income

Income from dealing in foreign exchange	**16,312**	10,299	**16,312**	10,299

10. Other operating income

Exchange difference	**18**	45	**18**	45
Profit on disposal of property and equipment	**151**	12	**151**	12
Recovered bad debts	**4,452**	1,649	**4,452**	1,649
Rental income	**-**	1,124	**-**	1,124
Sundry income	**73**	453	**-**	5
	4,694	3,283	**4,621**	2,835

11. Net impairment losses on financial assets

	2013 The Group	2012 The Group	2013 The Bank	2012 The Bank
Specific impairment loss	**11,823**	19,564	**11,823**	19,564
Collective impairment loss	**(1,363)**	1,899	**(1,363)**	1,899
	10,460	21,463	**10,460**	21,463

12. Personnel expenses

Wages and salaries	**9,551**	10,285	**9,551**	10,285
Allowances	**16,472**	12,149	**16,472**	12,149
Other staff costs	**1,440**	1,315	**1,440**	1,315
	27,463	23,749	**27,463**	23,749

The average number of persons employed by the Group during the period to 31 December 2013 was 422 (2012: 424).

13. Other operating expenses

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
Administrative expenses	**27,558**	24,892	**27,549**	24,890
Directors' emoluments	**912**	350	**912**	350
Auditors' remuneration	**273**	308	**273**	300
Operating lease rentals on office premises	**1,757**	1,993	**1,757**	1,993
Donations and sponsorship	**439**	475	**439**	475
	30,939	28,018	**30,930**	28,008

An amount of GH¢614,448 was spent as part of corporate social responsibility of the Bank. (2012: GH¢ 475,000).

14. Income tax expense

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
National Fiscal Stabilisation Levy	**1,802**	-	**1,802**	-
Current year income tax	**20,989**	17,314	**20,981**	17,243
Deferred tax	**3,402**	(5,447)	**3,402**	(5,447)
Income tax expense in income statement	**26,193**	11,867	**26,185**	11,796

NOTES (CONTINUED)

14. Income tax expense (CONTINUED)

14.a Current income tax

The Group

Year ended 31 December 2013	Balance at 1/12/13	Payments during 2013	Charge for the year	Balance at 31/12/13
Income Tax				
Up to 2012	6,967	-	-	6,967
2013	-	(19,719)	20,989	1,270
	6,967	(19,719)	20,989	8,237
National Fiscal Stabilisation Levy				
Up to 2012	1,202	-	-	1,202
2013	-	(1,903)	1,802	(101)
	1,202	(1,903)	1,802	1,101
Total	8,169	(21,622)	22,791	9,338

Year ended 31 December 2012	Balance at 1/12/12	Payments during 2012	Charge for the year	Balance at 31/12/1
Income Tax				
Up to 2011	3,904	-	-	3,904
2012	-	14,251	17,314	3,063
	3,904	(14,251)	17,314	6,937
National Fiscal Stabilisation Levy				
Up to 2011	1,202	-	-	1,202
2012	-	-	-	-
	1,202	-	-	1,202
Total	5,106	(14,251)	17,314	8,169

14. Income tax expense (CONTINUED)

14.b Reconciliation of effective tax rate

	2013	2013	2012	2012
Profit before tax	**%**	**71,791**	%	46,710
Income tax using the domestic tax rate	**25.00**	**17,948**	25.00	11,678
Tax exempt income	**(2.69)**	**(1,928)**	0.00	-
National Fiscal Stabilisation Levy	**2.51**	**1,802**	0.00	-
Non–deductible expenses	**11.66**	**8,371**	0.47	222
Tax incentives	**-**	**-**	(0.07)	(33)
Income tax expense in income statement	**36.49**	**26,193**	25.40	11,867

The Bank

Year ended 31 December 2013

	Balance at 1/12/13	Payments during 2013	Charge for the year	Balance at 31/12/13
Income Tax				
Up to 2012	**6,670**	**-**	-	6,670
2013	**-**	**(19,555)**	20,982	1,427
	6,670	**(19,555)**	20,982	8,097
National Fiscal Stabilisation Levy				
Up to 2012	**1,202**	**-**	-	1,202
2013	**-**	**(1,903)**	1,801	(102)
	1,202	**(1,903)**	1,801	1,100
Total	**7,872**	**(21,458)**	22,783	9,197

Year ended31 December 2012

	Balance at 1/12/12	Payments during 2012	Charge for the year	Balance at 31/12/1
Income Tax				
Up to 2011	**3,678**	**-**	-	3,678
2012	**-**	**(14,251)**	17,243	2,992
	3,678	**(14,251)**	17,243	6,670
National Fiscal Stabilisation Levy				
Up to 2011	**1,202**	**-**	-	1,202
2012	**-**	**-**	-	-
	1,202	**-**	-	1,202
Total	**4,880**	**(14,251)**	17,243	7,872

	2013	2013	2012	2012
Profit before tax	**%**	**71,763**	%	46,427
Income tax using the tax rate	**25.00**	**17,941**	25.00	11,607
Tax exempt income	**(2.69)**	**(1,928)**	0.00	-
National Fiscal Stabilisation Levy	**2.51**	**1,802**	0.00	-
Non–deductible expenses	**11.66**	**8,370**	0.53	222
Tax incentives	**-**	**-**	(0.07)	(33)
Income tax expense in income statement	**36.49**	**26,185**	25.41	11,796

NOTES (CONTINUED)

15. Earnings per share

The calculation of basic and diluted earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders of the Group and Bank respectively of GH¢45,598 and GH¢45,578 (31 December 2012: GH¢34,843 and GH¢34,631) and a weighted average number of ordinary shares outstanding of 110,688,559 (31 December 2012:103,138,000) calculated as follows:

	The Group		The Bank	
	2013	2012	**2013**	2012
Profit for the year attributable to equity holders of the Bank	**45,901**	34,843	**45,881**	34,631
Weighted average number of ordinary shares ('000)	**110,689**	103,138	**110,689**	103,138
Basic and diluted earnings per share (Gps)	**41Gp**	34Gp	**41Gp**	34Gp

There are no potentially dilutive shares outstanding at 31 December 2013 (31 December 2012: Nil). Diluted earnings per share are therefore the same as the basic earnings per share.

16. Cash and cash equivalents

	The Group		The Bank	
	2013	2012	**2013**	2012
Cash on hand	**21,081**	28,774	**21,081**	28,774
Balances with Bank of Ghana	**86,356**	75,153	**86,356**	75,153
Cash and bank balances	**107,437**	103,927	**107,437**	103,927
Balances with other banks	**-**	1,288	**-**	3
Balances with foreign banks	**76,721**	29,671	**76,721**	29,671
Items in course of collection	**-**	15,527	**-**	15,527
Money market placements	**94,225**	24,806	**94,225**	24,806
Cash and cash equivalents	**278,383**	175,219	**278,383**	173,934
Mandatory reserve deposits	**(65,303)**	(50,612)	**(65,428)**	(50,612)
	213,080	124,607	**212,955**	123,322

Included in balances with Bank of Ghana above is an amount of GH¢ 65,305,000 (2012: GH¢50,611,680) for the Bank and the Group's mandatory primary reserve deposits. The reserve is not available for use in the Bank's day to day operations.

Cash on hand, items in course of collection and balances with Bank of Ghana are non-interest bearing.

17. Government securities

The Group and the Bank

	2013	2012
Government bonds	**35,904**	8,313
Treasury bills	**151,669**	284,132
Total securities	**187,573**	292,445
Current	**169,806**	255,041
Non-Current	**17,767**	7,404

Government securities are treasury bills and bonds issued by the Government of Ghana. These are classified as held to maturity and carried at amortised cost.

Government securities have not been pledged to counterparties. There are no pledged assets.

18. Loans and advances to customers

The Group and the Bank

			2013			**2012**
	Gross Amount	**Impairment Allowance**	**Carrying Amount**	**Gross Amount**	**Impairment Allowance**	**Carrying Amount**
	2013	**2013**	**2013**	2012	2012	2012
Overdrafts	**168,056**	**(1,459)**	**166,597**	161,523	(232)	161,291
Term loans	**263,031**	**(9,821)**	**253,210**	149,936	(48,299)	101,637
Staff loans	**7,979**	**(375)**	**7,604**	10,687	(500)	10,187
Finance leases	**6,288**	**(10)**	**6,278**	1,260	(2)	1,258
Total loans and advances	**445,354**	**(11,665)**	**433,690**	323,406	(49,033)	274,373
Current			**335,197**			192,672
Non-Current			**98,493**			81,701

Loans and advances to customers are carried at amortised cost.

NOTES (CONTINUED)

18. Loans and advances to customers (CONTINUED)

18a. Allowances for impairment

Specific allowance for impairment	**2013**	2012
At 1 January	**45,826**	28,410
Charge for the year	**11,823**	19,564
Loan write-off	**(47,828)**	-
Recoveries	**-**	(2,148)
At 31 December	**9,821**	45,826

Collective allowance for impairment		
At 1 January	**3,207**	1,308
Charge for the year	**(1,363)**	1,899
At 31 December	**1,844**	3,207
Total allowances for impairment	**11,665**	49,033

18b. Loans and advances to customers

Loans and advances to customers at amortised cost include the following finance lease receivables for financing certain equipments and leased out to certain customers where the Bank is the lessor:

The Group and the Bank

Finance lease receivables	**2013**	2012
Gross investment in finance leases, receivable:		
Less than one year	**1,352**	273
Between one and five years	**4,741**	951
More than five year	**195**	36
	6,288	1,260
Unearned finance income	**(1,256)**	(240)
Net investment in finance lease	**5,032**	1,020
Net investment in finance leases, receivable:		
Less than one year	**1,207**	223
Between one and five years	**3,421**	1,016
Between one and five years	**404**	21
	5,032	1,260

19. Investment in associate

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
Income	**3,182**	2,137	**-**	2,137
Expenses	**(3,941)**	(2,389)	**-**	(2,389)
Loss	**(759)**	(252)	**-**	(252)
Share of loss at 40%	**(303)**	(101)	**-**	(101)
Value of investment	**286**	387	**286**	387
Share of loss	**(286)**	(101)	**(286)**	(101)
Carrying value of investment	**-**	286	**-**	286
Share of loss beyond equity contribution	**(17)**	-	**(17)**	-

The Bank has an interest of 40% (2012: 40%) in Magnate Technologies Services Limited. The equity accounted investee is not publicly listed and, consequentially, does not have published price quotes. The investee uses the same reporting dates of 31 December. Set out below is a summary of financial information of the equity accounted investee, not adjusted for by the percentage ownership held by the Bank.

	2013 The Group	2012 The Group	**2013 The Bank**	2012 The Bank
Current assets	**571**	178	**571**	178
Non-current assets	**5,449**	971	**5,449**	971
	6,020	1,149	**6,020**	1,149
Current liabilities	**(6,734)**	(435)	**(6,734)**	(435)
Net assets	**(714)**	714	**(714)**	714
Share of net assets at 40%	**-**	286	**-**	286

NOTES (CONTINUED)

20. Property and equipment

The Group

	Leasehold Improvement	Furniture/ Equipment	Computers	Motor Vehicles	Capital WIP	Total
Cost						
Year ended 31 December 2012						
Balances at 1 January	18,212	11,501	6,848	6,946	84	43,591
Additions	93	1,676	675	2,241	13	4,698
Disposal	-	-	-	(881)	-	(881)
Transfers	48	-	-	13	(61)	-
Write-offs	-	(140)	(2)	(303)	-	(445)
Balances at 31 December	18,353	13,037	7,521	8,016	36	46,963
Year ended 31 December 2013						
At 1 January	18,353	13,037	7,521	8,016	36	46,963
Additions	192	4,564	866	1,957	-	7,579
Disposals	-	-	-	(1,244)	-	(1,244)
Transfers	13	23	-	-	(36)	-
Balances at 31 December	**18,558**	**17,624**	**8,387**	**8,729**	**-**	**53,298**
Depreciation						
Year ended 31 December 2012						
At 1 January	2,018	6,166	3,271	2,824	-	14,279
Charge for the year	768	2,124	1,250	1,680	-	5,822
Disposal	-	-	-	(646)	-	(646)
Write-offs	-	(115)	(2)	(253)	-	(370)
Balances at31 December	2,786	8,175	4,519	3,605	-	19,085
Year ended 31 December 2013						
At 1 January	2,786	8,175	4,519	3,605	-	19,085
Charge for the year	688	2,388	994	1,856	-	5,926
Disposal	-	-	-	(912)	-	(912)
Balances at 31 December	**3,474**	**10,563**	**5,513**	**4,549**	-	**24,099**
Carrying amounts						
Balances at 1 January 2012	16,194	5,335	3,577	4,122	84	29,312
Balances at 31 December 2012	15,567	4,862	3,002	4,411	36	27,878
Balances at 31 December 2013	**15,084**	**7,062**	**2,874**	**4,180**	**-**	**29,199**

The Bank

	Leasehold Improvement	Furniture/ Equipment	Computers	Motor Vehicles	Capital WIP	Total
Cost						
Year ended 31 December 2012						
Balances at 1 January	18,212	11,501	6,848	6,008	84	42,653
Additions	93	1,676	675	2,241	13	4,698
Disposal	-	-	-	(464)	-	(464)
Transfers	48	-	-	13	(61)	-
Write-offs	-	(140)	(2)	(303)	-	(445)
Balances at 31 December	18,353	13,037	7,521	7,495	36	46,442
Year ended 31 December 2013						
At 1 January	18,353	13,037	7,521	7,495	36	46,442
Additions	192	4,564	866	1,957	-	7,579
Disposals	-	-	-	(1,244)	-	(1,244)
Transfers	13	23	-	-	(36)	-
Write-offs	-	-	-	-	-	-
Balances at 31 December	**18,558**	**17,624**	**8,387**	**8,208**	**-**	**52,777**
Depreciation						
Year ended 31 December 2012						
At 1 January	2,018	6,165	3,271	2,116	-	13,570
Charge for the year	768	2,124	1,250	1,525	-	5,667
Disposal	-	-	-	(229)	-	(229)
Write-offs	-	(115)	(2)	(253)	-	(370)
Balances at 31 December	2,786	8,174	4,519	3,159		18,638
Year ended 31 December 2013						
At 1 January	2,786	8,174	4,519	3,159	-	18,638
Charge for the year	688	2,388	994	1,820	-	5,890
Disposal	-	-	-	(912)	-	(912)
Balances at 31 December	**3,474**	**10,562**	**5,513**	**4,067**		**23,616**
Carrying amounts						
Balances at 1 January 2012	16,194	5,335	3,577	4,122	84	29,312
Balances at 31 December 2012	15,567	4,862	3,002	4,336	36	27,878
Balances at 31 December 2013	**15,084**	**7,062**	**2,874**	**4141**	**-**	**29,161**

NOTES (CONTINUED)

20. Property and equipment (CONTINUED)

Depreciation and amortisation expense

	2013 The Group	2012 The Group	2013 The Bank	2012 The Bank
Property and equipment (Note 20)	**5,926**	5,822	**5,890**	5,667
Intangible assets (Note 21)	**644**	532	**644**	532
	6,570	6,354	**6,534**	6,199

Profit on disposal

	2013 The Group	2012 The Group	2013 The Bank	2012 The Bank
Cost	**1,244**	881	**1,244**	464
Accumulated depreciation	**(912)**	(646)	**(912)**	(229)
Carrying amount	**332**	235	**332**	235
Proceeds from disposal	**(483)**	(247)	**(483)**	(247)
Profit on disposal	**(151)**	(12)	**(151)**	(12)

21. Intangible assets

	2013 The Group	2012 The Group	2013 The Bank	2012 The Bank
Cost				
At 1 January	**4,103**	3,196	**4,103**	3,196
Additions	**1,266**	907	**1,266**	907
At 31 December	**5,369**	4,103	**5,369**	4,103
Amortisation				
At 1 January	**2,487**	1,955	**2,487**	1,955
Amortisation for the year	**644**	532	**644**	532
At 31 December	**3,131**	2,487	**3,131**	2,487
Carrying amount				
At 1 January	**1,616**	630	**1,616**	630
At 31 December	**2,238**	1,616	**2,238**	1,616

22. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

The Group

	Assets 2013	Liabilities 2013	Net 2013	Assets 2012	Liabilities 2012	Net 2012
Property, equipment and software	-	(2,498)	(2,498)	-	(1,811)	(1,811)
Allowances for loan losses	2,916	-	2,916	5,693	-	5,693
Others	-	-	-	-	(62)	(62)
Net tax assets/ (liabilities)	2,916	(2,498)	418	5,693	(1,873)	3,820

The Bank

	Assets 2013	Liabilities 2013	Net 2013	Assets 2012	Liabilities 2012	Net 2012
Property, equipment and software	-	(2,437)	(2,437)	-	(1,750)	(1,750)
Allowances for loan losses	2,916	-	2,916	5,693	-	5,693
Others	-	-	-	-	(62)	(62)
Net tax assets/ (liabilities)	2,916	(2,437)	479	5,693	(1,812)	3,881

NOTES (CONTINUED)

22. Deferred tax assets and liabilities (CONTINUED)

22.a Movement in temporary differences during the year

The Group

	Balance at January 1	Recognised Income Statement	Balance at December 31
31 December 2013			
Property, equipment and software	(1,811)	(687)	(2,498)
Allowances for loan losses	5,693	(2,777)	2,916
Others	(62)	62	-
Net deferred tax assets	**(3,820)**	**3,402**	**418**
31 December 2012			
Property, equipment and software	(2,819)	1,008	(1,811)
Allowances for loan losses	(608)	5,085	5,693
Others	(585)	(647)	(62)
Net deferred tax assets/(liabilities)	(1,626)	5,446	3,820

The Bank

	Balance at January 1	Recognised Income Statement	Balance at December 31
31 December 2013			
Property, equipment and software	(1,750)	(687)	(2,437)
Allowances for loan losses	5,693	(2,777)	2,916
Others	(62)	62	-
Net deferred tax assets/ (liabilities)	**(3,881)**	**3,402**	**479**
31 December 2012			
Property, equipment and software	(2,758)	1,008	(1,750)
Allowances for loan losses	(608)	5,085	5,693
Others	(585)	(647)	(62)
Net deferred tax assets/(liabilities)	(1,565)	5,446	3,881

23. Other Assets

	The Group 2013	2012	The Bank 2013	2012
Prepayments	**14,136**	5,186	**14,314**	5,186
Accrued interest receivable	**11,170**	3,564	**11,170**	3,564
Clearing related balances	**31,753**	12,243	**31,869**	12,370
Balance at 31 December	**57,059**	20,993	**57,353**	21,120

24. Investment in subsidiary

Investment in subsidiary represents Access Bank's investments in BTH, a subsidiary of Access Bank, which is in the business of acquiring for rent/sale residential and commercial real estate properties and undertaking contract and commercial hiring of vehicles and equipment. Activities relating to the acquisition for rent/sale of residential and commercial real estate properties have not yet commenced.

The Bank also has an investment in a subsidiary, Triumph Properties Limited (TPL), which was dormant for the year and at year end and has not been consolidated.

25. Due to other banks

	The Group 2013	2012	The Bank 2013	2012
Money market deposits	**15,000**	17,000	**15,000**	17,000
Current	**15,000**	17,000	**15,000**	17,000

26. Deposits from customers

	The Group 2013	2012	The Bank 2013	2012
Demand deposits	**152,725**	258,226	**154,114**	258,226
Savings deposits	**494,421**	136,601	**494,421**	150,525
Term deposits	**78,447**	150,525	**78,447**	136,601
	725,593	545,352	**726,982**	545,352
Current	**692,307**	526,197	**693,696**	526,197
Non-Current	**33,286**	19,155	**33,286**	19,155
Analyses of depositors by type				
Financial institutions	**32,678**	33,355	**32,678**	33,355
Individual and other private enterprises	**659,169**	482,588	**660,558**	482,588
Public enterprises	**33,746**	29,409	**33,746**	29,409
	725,593	545,352	**726,982**	545,352
Ratio of 20 largest depositors to total deposits	**31.57%**	34.09%	**31.52%**	34.09%

NOTES (CONTINUED)

27. Borrowings

The Group and The Bank

	Balance At Jan 1	Drawdown	2013 Repayment	Balance At Dec 31
DANIDA	84	-	-	84
Export Development & Investment Fund	18,007	-	(3,030)	14,977
Social Security and National Insurance Trust	339	-	(339)	-
Ghana Private Sector Development Fund	352	-	(74)	278
	18,782	-	(3,443)	15,339
Current				3,104
Non-Current				12,235

The Export Development and Investment Fund (EDIF) facility was secured for onward lending to qualifying institutions. Interest accrues at 2.5% per annum and is payable at the end of the loan term of three years.

The Group and The Bank

	Balance At Jan 1	Drawdown	2012 Repayment	Balance At Dec 31
DANIDA	84	-	-	84
Export Development & Investment Fund	10,121	11,000	(3,030)	18,091
Social Security and National Insurance Trust	339	-	-	339
Ghana Private Sector Development Fund	352	-	-	352
	10,896	11,000	(3,030)	18,782
Current				3,030
Non-Current				15,752

28. Other liabilities

	The Group 2013	2012	The Bank 2013	2012
Creditors and accruals	6,771	28,063	6,742	28,071
Deferred income	-	8,343	-	8,343
	6,771	36,406	6,742	36,414
Current	5,191	33,413	5,162	33,421
Non-Current	1,580	2,993	1,580	2,993

29. Capital and reserves
29.1 Stated capital

The Group and The Bank

	2013	2013	2012	2012
Authorised:	**No of shares**	**Proceeds**	No of shares	Proceeds
Ordinary shares of no par value'000	**200,000**	**-**	200,000	-
Issued for cash consideration	**110,688,559**	**-**	110,688,559	-
Issued and fully paid:				
Issued for cash consideration	**110,688,559**	**118,275**	110,688,559	118,275

Access Bank Plc holds 91.83% of the issued ordinary share of Access Bank (Ghana) Limited. The remaining 8.17% is owned by other shareholders.

29.2 Income surplus

Income surplus represents the residual of cumulative annual profits that are available for distribution to shareholders. The movement in the income surplus account is shown as part of the statement of changes in equity.

29.3 Statutory reserve

Statutory reserve represents amounts set aside as a non-distributable reserve from annual profits in accordance with section29(a) of the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act, 2007 (Act 738) and guidelines from the Central Bank. The movement in statutory reserve is shown as part of the statement of changes in equity.

29.4 Credit risk reserve

Credit risk reserve represents the excess of Bank of Ghana's total provision over impairment loss of financial assets recognised in the income statement arising out of provisions made for impairment under the Bank of Ghana guidelines.

30. Dividends

The Bank declared dividend per share of GH¢ 0.096 amounting to GH¢10,626,000 (2012: NIL) for the financial year ended 31 December 2013.

31. Leasing

The Bank leases various offices, branches and other premises under non-cancellable operating lease arrangements. The lease rentals are paid in advance and amortised on a straight line basis over the lease period. The outstanding balance is accounted for as a prepayment in other assets. There were no contingent rents payable.

Non-cancellable operating lease rentals which have been paid in advance are as follows:

NOTES (CONTINUED)

31. Leasing (CONTINUED)

	The Group 2013	2012	The Bank 2013	2012
Less than one year	**1,120**	828	**1,120**	828
Between one and five years	**2,777**	1,893	**2,777**	1,893
More than five years	**3,220**	2,220	**3,220**	2,220
	7,117	4,941	**7,117**	4,941

32. Contingencies
32.1 . Claims and litigation

There are various claims against the Group for which the amounts could not be estimated at the reporting period. Other litigation and claims involving the Group as at 31 December 2013 approximated GH¢ 9,312,363 (2012: GH¢2,882,000).

32.2 . Contingent liabilities and commitments

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

> Nature of instruments

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related to performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness.

Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-balance sheet risk:

32.3 Commitments for capital expenditure

There was no capital commitment at 31 December 2013(2012: Nil).

33. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes

The Group and The Bank

Contingent liabilities	2013	2012
Bonds and guarantees	90,983	30,658
Letters of credit	339,764	174,229
	430,747	204,887

members of the Access Bank Group.

33.1 Parent

The parent company, which is also the ultimate parent company, is Access Bank Plc. Transactions between Access Bank Plc. and the subsidiaries also meet the definition of related party transactions. The parent company incurred expenditures in the normal course of business, mainly in the form of salary payments to seconded staff from Nigeria and licence fees, which were recharged to the Bank at cost. During the year ended 31 December 2013, the Bank transacted the following business with the parent bank:

	Nature of Transaction	2013	2012
Access Bank Plc –Nigeria	Cash and Bank balance	3,157	2,316
Access Bank Plc –Nigeria	Placement	-	5,730
Access Bank Plc –Nigeria	Accounts payable	(463)	(152)

Transactions with other related parties include:

Access Bank – UK	Cash and Bank balance	92,905	16,070
BTH	Account receivable	706	706

NOTES (CONTINUED)

33.2 Transactions with key management personnel

The Bank's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control.

The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with Access Bank Plc.

Key management personnel and their immediate relatives have the following outstanding loan balances with the Bank at the reporting period:

The Group and The Bank

	2013	2012
Executive directors	-	-
Officers and employees	9,517	10,687
	9,517	10,687

Interest rates charged on balances outstanding are at concessionary rates and lower than the rates that would be charged in an arm's length transaction. The secured loans granted are secured over real estate and other assets of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end. These balances have, however, been collectively impaired as part of the portfolio impairment assessment for unidentified loans and advances.

34. Comparative information

The comparative information have been reclassified, where applicable, to conform to the current year's presentation.

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Nima Roundabout
Nima - Accra
T +233 (0) 289 555654

Ring Road Central
Ring Road Industrial Area North
Plot No 30A
Ring Road Central, Accra
+233 (0) 302 254701
+233 (0) 302 254741
+233 (0) 302 254738

Tema Main
Off Fishing Harbour Road
Opposite Maersk, Tema
T +233 (0) 244 335939, +233 (0)
244 335941
F +233 (0) 303 202211

Achimota
Plot No. 127, Nsawam Road
Achimota, Accra
+233 (0) 302 41908 0 - 3
+233 (0) 302 419085

Kaneshie Post Office
General Post Office Premises
Kaneshie, Accra
T +233 (0) 302 247849, +233 (0)
302 247764
F +233 (0) 302 247850

Lashibi
Plot 95 / 97
Adjacent UBI Petroleum
Lashibi, Accra
T +233 (0) 302 953910

East Cantonments
9, La Tebu Crescent
Near Burma Camp
East Cantonments
Accra
T +233 (0) 289 530150

Madina
Hollywood Shopping Centre
Accra-Aburi Road, Madina, Accra
T +233 (0) 302 520709
+233 (0) 302 520725
F +233 (0) 302 520715

Osu Watson House
Watson House
Osu, La Road, Accra
T +233 (0) 302 779152
+233 (0) 302 779530,
+233 (0) 244 335932
F +233 (0) 302 784856

UPSA
UPSA Premises
P. O. Box LG 149, Legon, Accra
T +233 (0) 289 559100
+ 233 (0) 289 555653
+233 (0) 302 522197
F +233 (0) 302 522199

Okaishie
House No D767 /A
Beach Avenue
Tudu, Okaishie, Accra
T +233 (0) 289 330050

South Industrial Area
Plot No.109
Sikkens House Old Fadama Road
South Industrial Area, Accra
+233 (0) 302 781761
+233 (0) 302 784143

BRANCH NETWORK

Head Office

Access Bank (Ghana) Limited
Starlets' 91 Road, Opposite Accra Sports Stadium, Osu
P. O. Box GP 353, Accra, Ghana

T: +233 (0) 302 661630/ +233 (0) 302 742699
F: +233 (0) 302 666036

E: info@ghana.accessbankplc.com
www.accessbankplc.com/gh

Ashanti Region

Suame
Offinso – Kumasi Road
Suame, Kumas i
T +233 (0) 322 083971 - 7
+233 (0) 322 083970

Adum
Plot No.14 Block II
Prempeh II Street
Adum, Kumasi
T +233 (0) 322 083871 - 7
+233 (0) 322 083870

Asafo
Plot 278A
Off Otumfuo Osei Tutu II Blvd
Asafo, Kumasi
T +233 (0) 322 196894

New Amakom
Plot No. 5 Block IX
Near Angola Traffic Light
New Amakom
Kumasi
+233 (0) 322 049250 - 2
+233 (0) 322 049253

Western Region

Enchi
On the Enchi Main Road
Adjacent the former Court Building
Enchi
+233 (0) 312 190381, +233 (0) 312 190382

Sefwi Wiawso
Opposite the Ghana COCOBOD office
Sefwi - Mpomamu Road.
Sefwi Wiawso
+233 (0) 322 192520

Takoradi
House No PT 131
Liberation Road
Opposite Bank of Ghana
Takoradi
+233 (0) 312 032032

Tarkwa
Plot No.3
Post Office Road, Tarkwa
T +233 (0) 312 322606
+233 (0) 312 322619,
+233 (0) 312 322616
F +233 (0) 312 322593

Northern Region

Tamale
No. 2 Bank Street
Bank of Ghana Road
Tamale
T +233 (0) 372 027212 - 5
+233 (0) 372 027127
F +233 (0) 372 027 120

Brong-Ahafo

Techiman
Plot No 156
Block J, Sector 1
Tamale Road
Techiman
T +233 (0) 352 522060, +233 (0) 352 522062 / 3
+233 (0) 352 522083

Central Region

Kasoa Branch
I See Shopping Mall
Opposite Petrosol Filling Station
Bawjiase Road - Kasoa.
+233 (0) 289 700506

ATM DIRECTORY

OFFSITE LOCATIONS

Maxmart ATM
MaxMart family Shopping Center,
37 Liberation road,
Opposite Golden Tulip Hotel,
Accra, Ghana.

Spintex ATM
Glory Oil Filling Station,
Spintex road,
Accra, Ghana.

Civil Service ATM
CLOGSAG Office,
Ministries,
Accra, Ghana.

Legon ATM
Central Cafeteria, Adjacent SRC
Union Building,
University of Ghana, Legon,
Accra, Ghana.

WAPIC ATM
35 Aviation road,
Airport residential Area,
Accra, Ghana
Adjacent Nyaho Medical Centre

Dzorwulu ATM
Osu Badu ST., Dzorwulu,
Accra, Ghana
Adjacent Say Cheers

Marina Mall ATM
Mall Entrance, Marina Shopping
mall, Airport City, Accra,
Ghana

KNUST ATM
Near Republic Hall, KNUST
Kumasi, Ghana.

Chirano ATM
Chirano Mines,
Sefwi, Ghana

TOR ATM
Staff Canteen,
Tema Oil Refinery Ltd,
Heavy Industrial Area,
Tema, Ghana

Korle Bu ATM
Main Entrance
Korle Bu teaching Hospital
Accra, Ghana

BRANCH ATM

Greater Accra Region

Abeka Lapaz Branch
Achimota Branch
Airport Branch
Ashaiman Branch
Castle Road Branch (2)
East Cantonments Branch
UPS Branch
Kaneshie Branch
Kantamanto Branch
Kaneshie Post Office Branch
Lashibi Branch
Madina Branch
North Industrial Area Branch
Nima Branch
Okaishie Branch
Osu Oxford Branch
Osu Watson Branch
Ring Road Central Branch
South Industrial Area Branch
Tema Community 1 Branch
Tema Main Branch
Tema Industrial Area Branch

Ashanti Region
Adum Branch
Amakom Branch
Asafo Branch
Suame Branch

Central Region
Kasoa Branch

Western region
Enchi Branch
Sefwi Branch
Tarkwa Branch
Takoradi ranch

Brong Ahafo Region
Techiman Branch

Northern Region

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At Access Bank, we believe acting responsibly is essential for business and societal sustainability. Our Corporate Social Responsibility endeavours to provide innovative and proactive solutions to economic, social and environmental challenges.

Through this responsible business approach, Access Bank is touching lives across countries where we operate and is helping our host communities paint a bright picture of a sustainable future...for everyone.

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