



HY'21 INVESTOR AND ANALYST PRESENTATION



more than banking

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1 ▶ **Introduction**

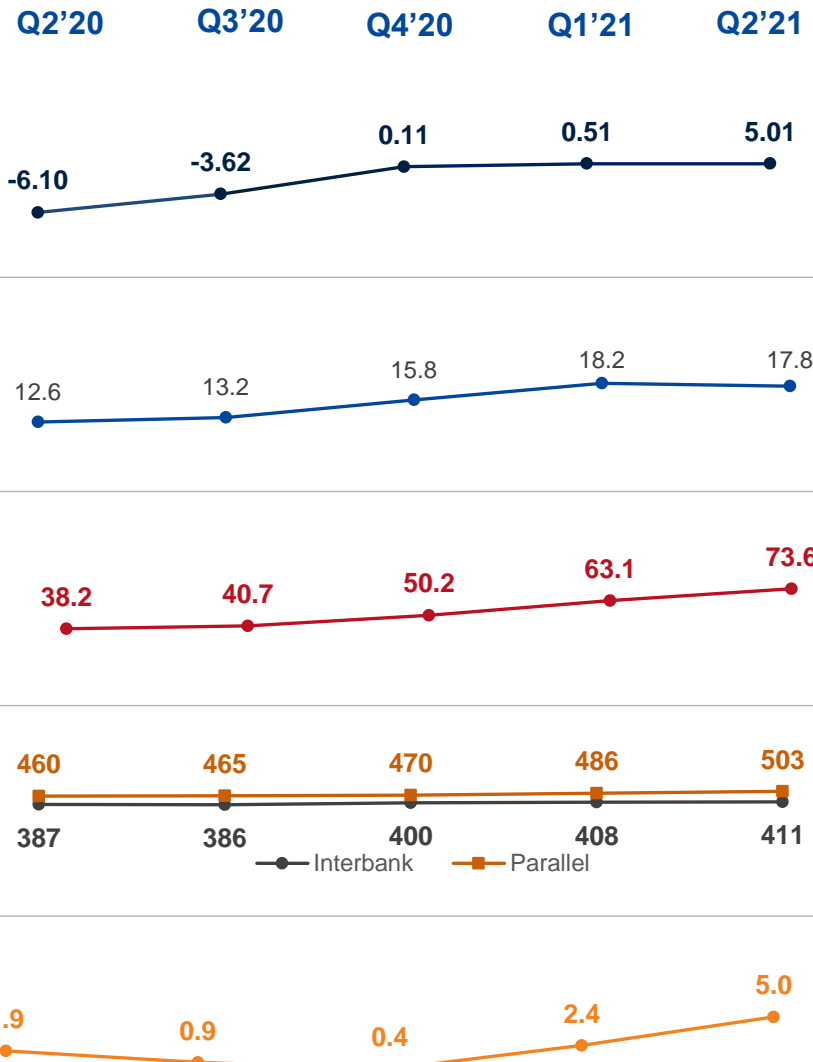
2 Group Financial Highlights

3 Retail Performance Review

4 FY 2021 Outlook and Targets

HY'21 Macroeconomic and Regulatory Highlights

-  **GDP growth rate, %**
-  **Inflation rate, %**
-  **Oil price, \$/b**
-  **USD exchange rate, local currency**
-  **90-Day T-bills rate, %**



Macro Highlights

- **GDP growth rate** increased to 5.01% in June 2021, showing a significant improvement from the last quarter
- **Inflation** dropped to 17.8% in June 2021, a 2.3% q/q fueled by both money supply and structural rigidities amidst rising food and transportation costs.
- **Crude Oil Prices** continued to make a strong recovery, rising to 73.6\$/barrel, up 93% y/y (June 2020: 38.2\$/barrel).
- **FX rates** across the parallel and Interbank market have continued the upward trend with the parallel rate up 9.3% y/y to stand at ₦503/\$ (₦460/\$ June 2020), while the interbank rate rose 6.2% y/y to ₦411/\$ (₦387/\$ June 2020) .
- **Average 90-day T-bills rate** rose to 5%, from 2.4% in the last quarter

Regulatory Highlights

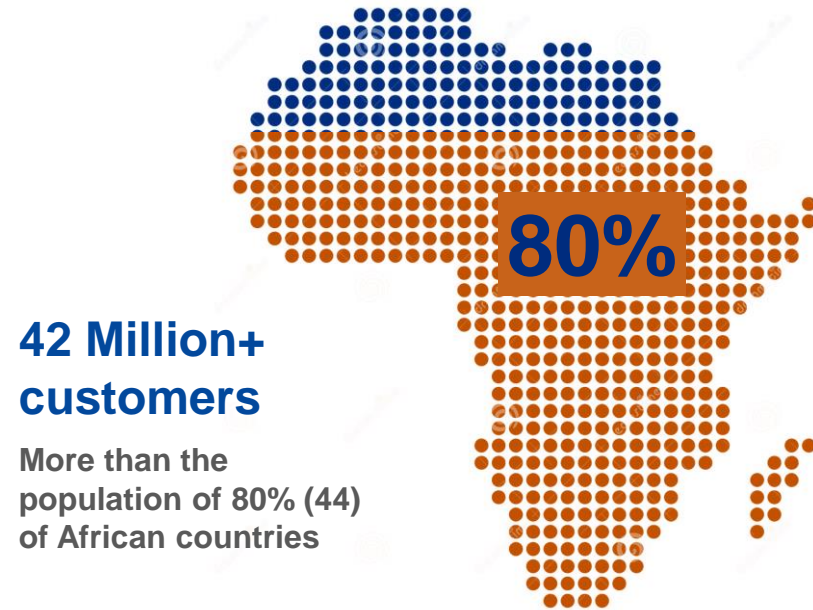
- Commencement of enrollment of all Development Finance Institution (DFIs), Microfinance Banks (MFBs), Primary Mortgage Banks (PMBs) and Finance Companies (FCs) on the Credit Risk Management System (CRMS)
- Guidelines for the conduct of repurchase transactions under CBN standing facilities
- Invitation of external stakeholders to join the African Continental Free Trade Area (AFCFTA) financial services and investment mobilization workstream
- Issuance of the regulatory framework for non-bank acquiring in Nigeria
- Introduction of guidelines for shared services arrangements
- Discontinuation of forex sales to Bureau De Change (BDCs)

Source: CBN, National Bureau of Statistics (NBS), Financial Derivatives Company Limited (FDC), Business Monitor International (BMI)



Access Bank's Global network and scale (1)

Large customer base



Superior service delivered through four SBUs in 11 African countries, The UAE, UK, and 3 rep offices in China, India and Lebanon



Corporate



Commercial



Business



Retail

Growing users on our digital channels and locations



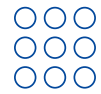
2,950 ATMs



10.7mn unique mobile app and internet banking users



63,675 POS



6.5mn USSD users



729 Branches



75,231 Financial Inclusion Agents

Strong financial performance

₦450.6bn
Revenue

₦97.5bn
Profit before tax

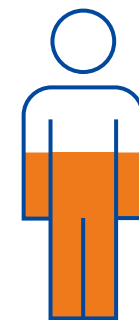
22.8%
ROAE

21.3%
CAR ratio

15.9%
Tier 1 ratio

Gender diversity is important to us

6,497
Professional Staff

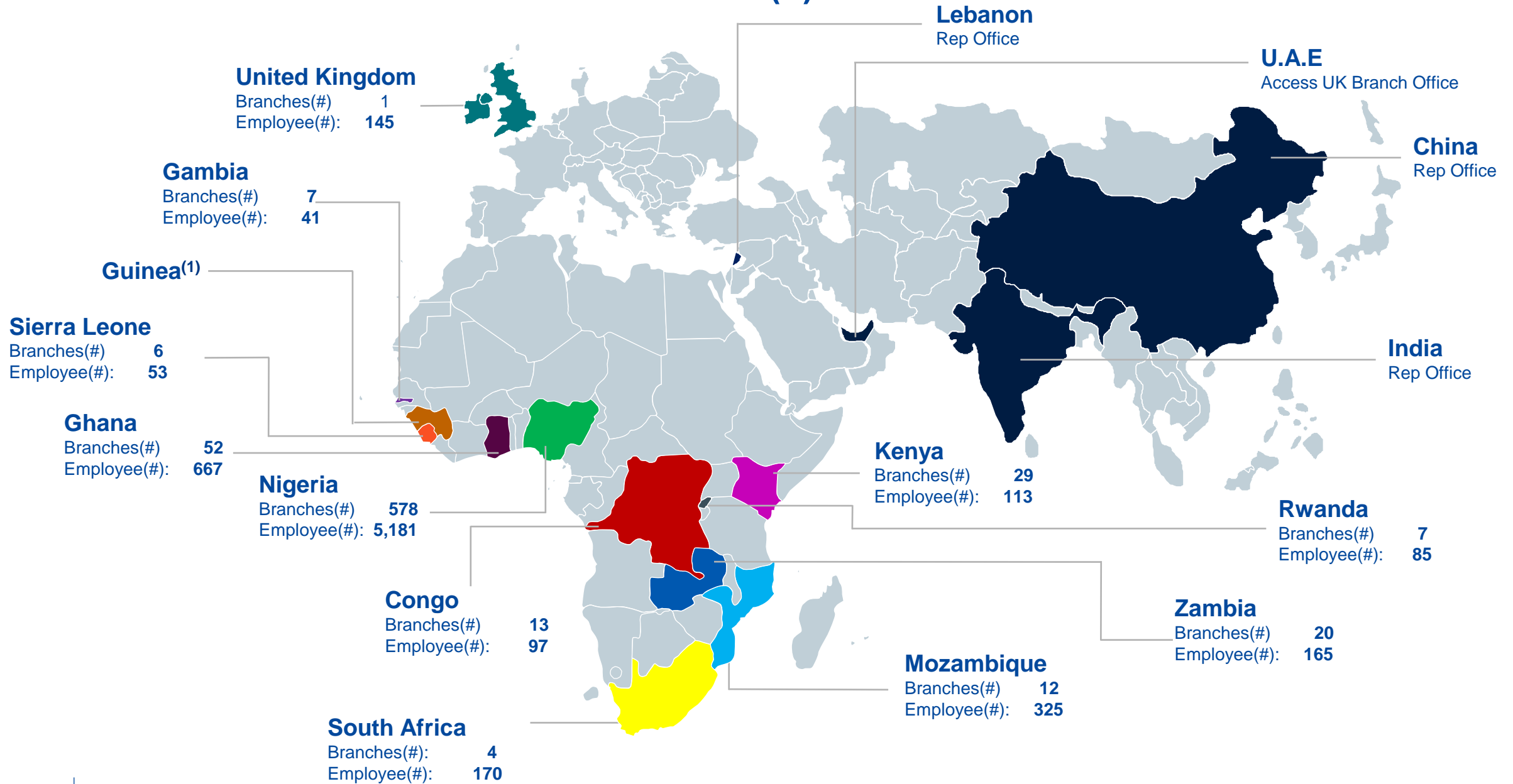


53%



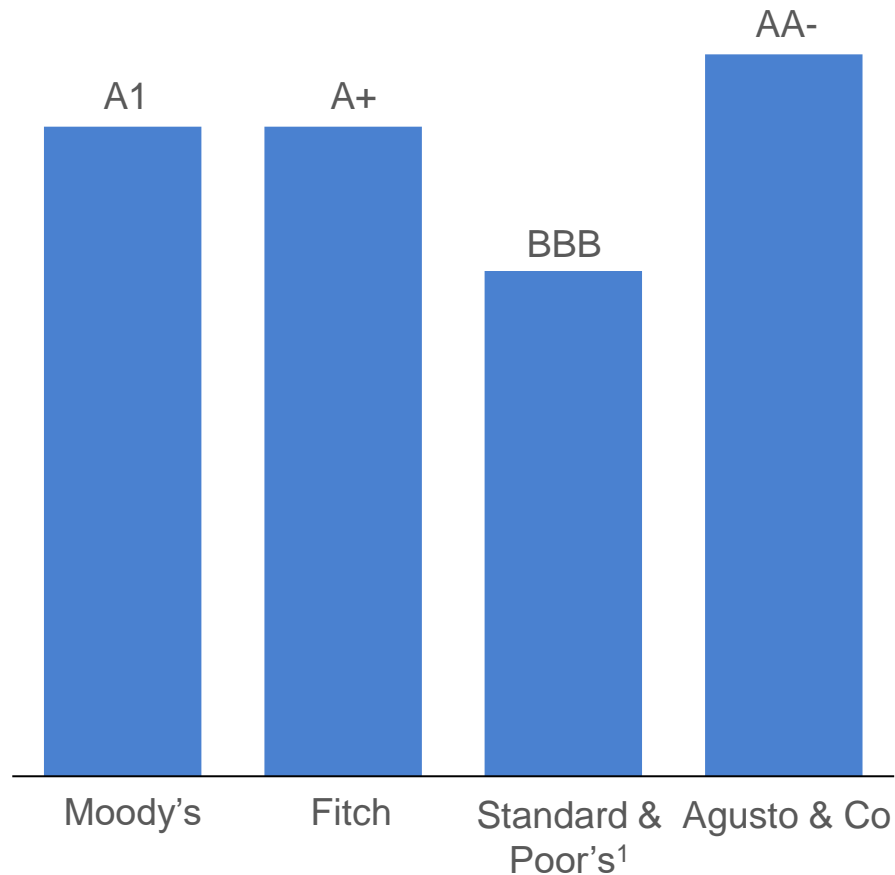
47%

Access Bank's Global network and scale (2)



Global recognition for continued strong business performance

Credit rating



1. Downgrade as a result of S&P sovereign downgrade which affected the entire banking industry in Nigeria

Select 2021 Accolades

Best Mobile Banking App Nigeria

Winner of the Finance Derivative Awards

Best Banking CEO of the Year Africa

International Banker Awards

Best Banking CEO, Nigeria

Global Brand Award Winner

Best CSR Bank Nigeria

Winner of the Finance Derivative Awards

Sustainable Bank of the Year Africa

International Investor Awards

Best Mobile Banking App, Africa

Global Brand Award Winner

Best Digital Bank in Africa

Euromoney Awards for Excellence winner

Most Sustainable Bank, Nigeria

Winner of the World Finance Award

Best Agro Banking Brand, Africa

Global Brand Award Winner

Best Commercial Bank Nigeria

Winner of the International Banker Awards

Banker of the Year

African Banker Award Winner

Best Digital Banking Brand, Africa

Global Brand Award Winner



ESG is at the heart of our business

Environment

₦15bn

raised in Green Finance. 1st Corporate to issue a certified Green Bond in SSA¹

25%

decrease in electricity consumption

Launched the first corporate bond impact report in SSA¹

Pioneered **waste recycling** in the Nigerian Financial Sector in over **75** locations

Introduced **our Paper-to-Pencil and Tyre upcycling initiative**, recycling pencils to schoolchildren and old tyres to usable furnished materials

Social

1.3mn

Financial inclusion customers reach in HY'2021

75,231

Financial inclusion agents

Championed the **Coalition Against COVID-19 (CACOVID)**

1,800+

beneficiaries of Access9ijakids initiative on financial literacy & inclusion for children

104%

y/y growth in financial inclusion transaction count

Disbursed **₦5bn** W Power Loans to over 2,000 women

Unveiled the **₦50bn Intervention Program** to support communities and business affected by the riots

Governance

Launched **Environmental and Social Risk Management (ESRM) Policy** to provide a standardized approach to assessing E&S risks at borrower and transaction level

First Commercial Bank in Africa certified by **Sustainability Standards and Certification Initiative (SSCI)**

Winner of the Karlsruhe Award for **Outstanding Business Sustainability Achievement**, for the 5th year in a row

Pioneered **sustainability reporting** in the Nigerian Financial Sector

Certifications and Memberships



WEConnect
INTERNATIONAL



PRI
Principles for Responsible Investment



First Corporate to issue a Certified Green Bond in SSA ¹



1 Introduction

2 ▶ **Group Financial Highlights**

3 Retail Performance Review

4 FY 2021 Outlook and Targets

Access Bank has continued to deliver solid and resilient results

Sustainable revenue across income lines



Strong Balance Sheet



Prudential Ratios



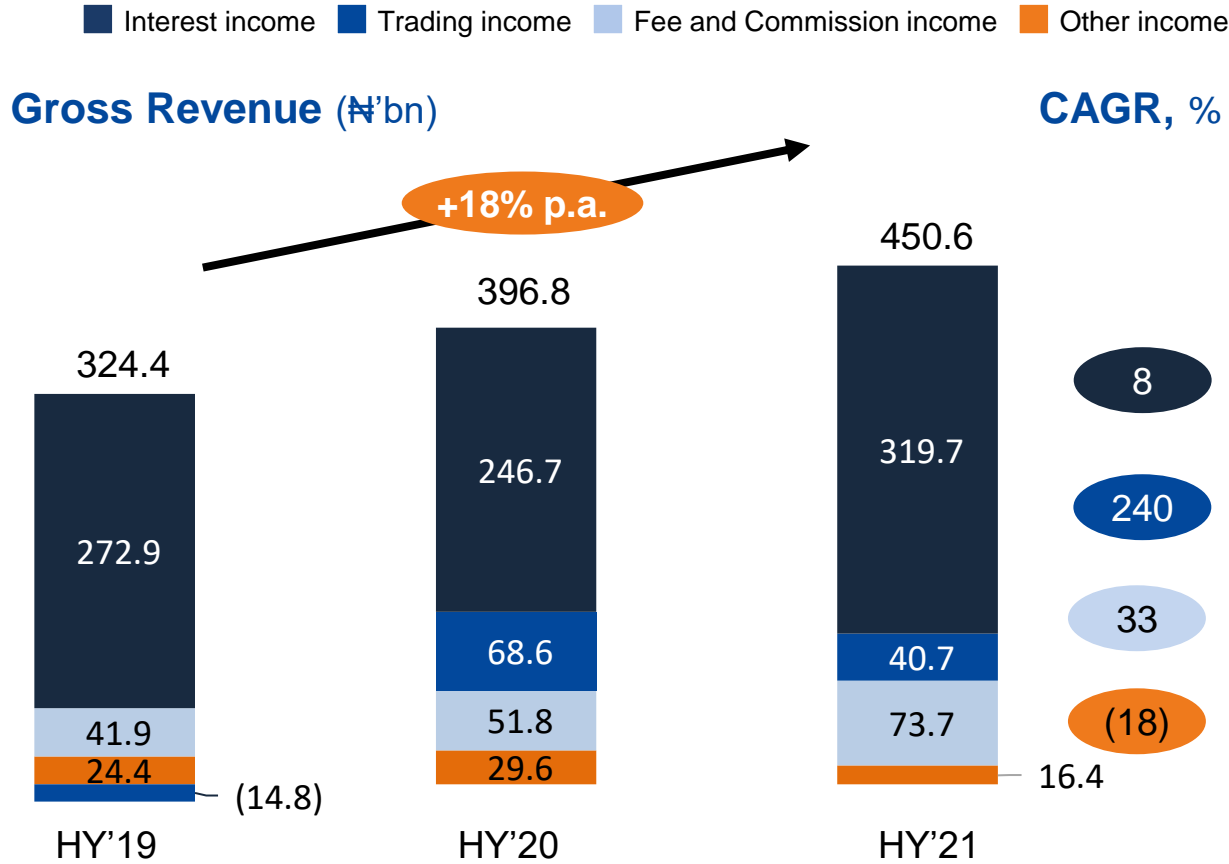
₦'million	HY 2021	HY 2020	%Δ	
Gross Earnings	450,621	396,757	14	↑
Net Interest Income	200,068	126,207	59	↑
Operating Income	315,959	265,059	19	↑
Operating Expenses	(189,802)	(174,288)	9	↑
Impairment Charges	(28,669)	(16,466)	74	↑
Profit Before Tax	97,496	74,306	31	↑
Profit After Tax	86,936	61,035	42	↑

₦'billion	HY 2021	FY 2020	%Δ	
Net Loans & Advances	3,991	3,611	11	↑
Total Assets	10,055	8,680	16	↑
Customer Deposits	5,975	5,587	7	↑
Shareholders' Funds	775	751	3	↑

Metrics	HY 2021	HY 2020	Δ	
After-Tax ROAE	22.8%	19.1%	3.7	↑
Cost-to-Income (%)	60.1%	65.8%	(5.7)	↓

	HY 2021	FY 2020	Δ	
Capital Adequacy (%)	21.3%	20.6%	0.6	↑
Liquidity (%)	50.7%	46.0%	4.4	↑
Loan-to-Funding	51.7%	50.7%	1.0	↑

Sustainable Revenue across Income Lines



1. Interest Income figures calculated as an addition of Interest income on financial assets not at FVTPL/not held for trading and Interest income on financial assets at FVTPL/held for trading

▶ **Gross revenue grew 14% to ₦450.6bn y/y**, comprising 71% in interest income and 29% in non-interest income.

▶ **Interest income drivers (30% y/y, HY'21: ₦319.7bn):**

- ▶ A 79% y/y growth in income from Investment Securities to ₦132.2bn (HY'20: ₦74.0bn) due to the improved yield environment and 9% y/y growth in interest on Loans and Advances to customers offsetting the 4% y/y decline in income Cash and Cash equivalents

▶ **Non-Interest Income drivers (-13% y/y, HY'21: ₦130.9bn):**

- ▶ A 41% y/y decline in net trading income to ₦40.7bn (HY'20: ₦68.6bn), due to the impact of the naira devaluation
- ▶ A 45% y/y decline in Other Operating income to ₦16.4bn (HY'20: ₦29.6bn), largely underlined by the reduction in recoveries from written off loans.

▶ **Strong and diversified revenue growth has been driven by:**

- Expansive retail banking growth and increased velocity of transactions
- Prioritizing margin growth through efficiencies
- Optimizing value chain of wholesale banking customers
- Payments
- Well executed trading strategy
- Delighting the customer at every touchpoint

Driving Group revenue growth through retail expansion

Our Retail Banking business has grown consistently across all income lines, driven by strong focus on **consumer lending, payments and remittances, digitization** of customer journeys, and **customer acquisition at scale**

▶ **42mn+**
customers

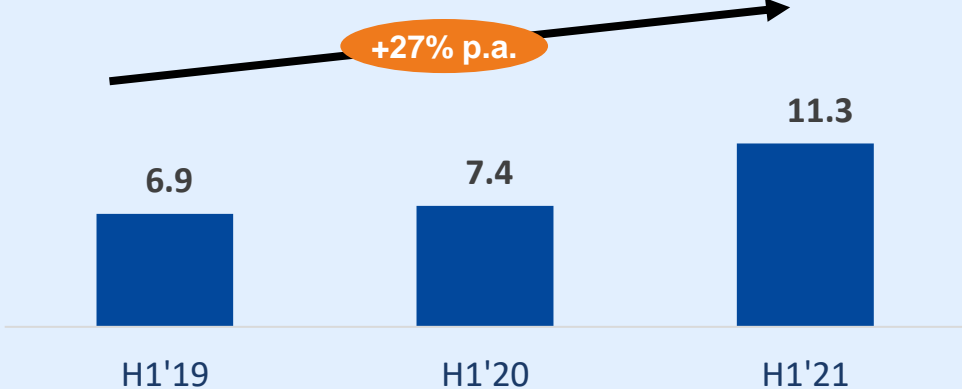
▶ **₹1,365bn**
savings account deposit

▶ **1.3mn**
accounts opened under the agency banking initiative during the period

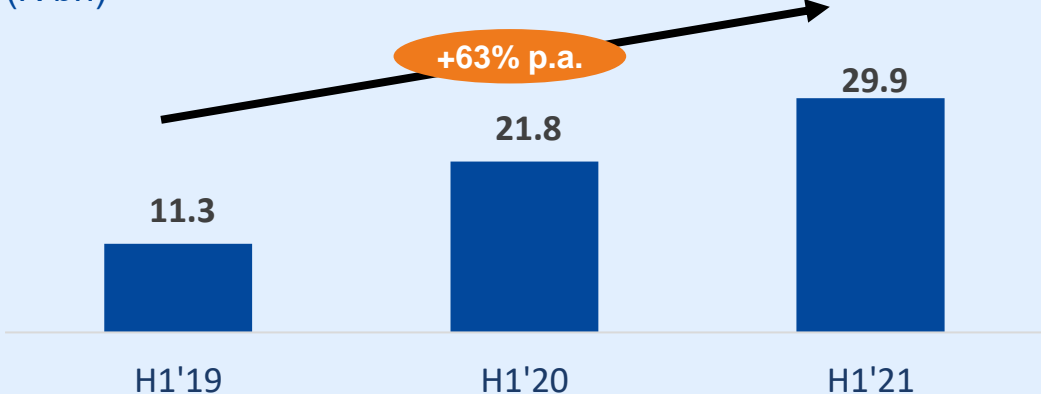
▶ **75,231**
registered agents to drive financial inclusion

▶ **25mn**
accounts via Telco Partnership

Account & maintenance fees and charges (₹'bn)

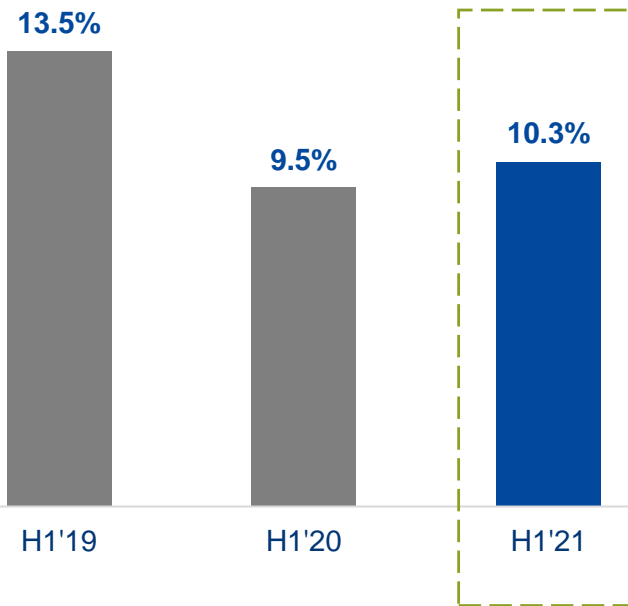


Digital channels revenue (₹'bn)



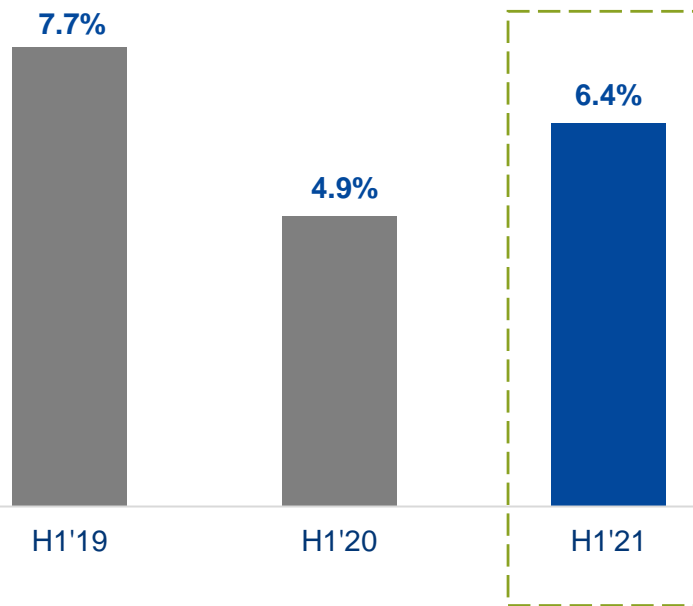
Resilient income with improved margins

Yield on Assets (YoA)



Increase in assets yields to 10.3% (80bps y/y) in the period due to improved yield on government securities.

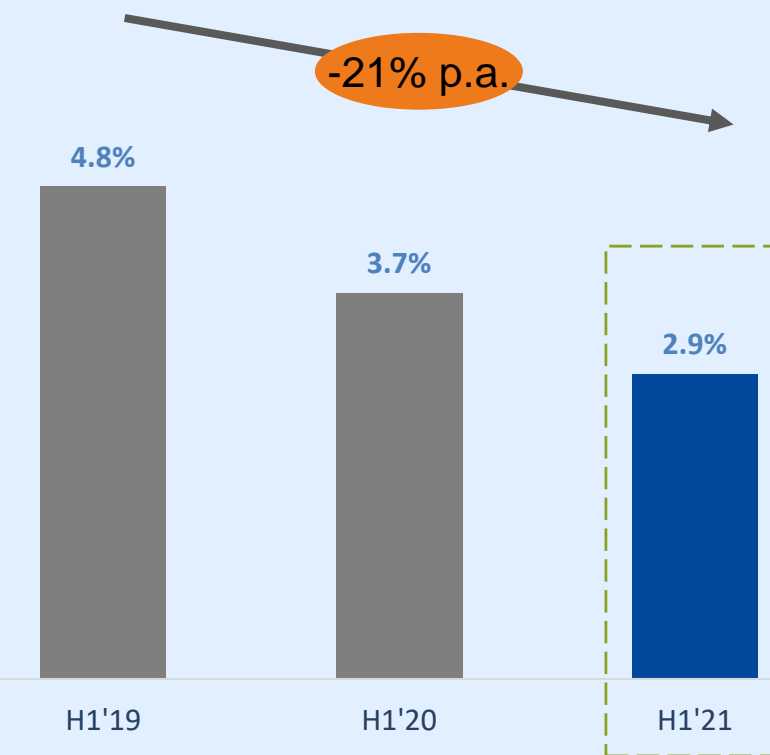
Net Interest Margin (NIM)



Net Interest Margin increased by 157bps y/y to 6.4%, buoyed by the reduced CoF and improved assets yield. As our loans continue to improve, with moderation on CoF, we will see further improvement in our NIM.

Cost of Funds (CoF)

Average Cost of Funds decreased by 80bps y/y to 2.9%, benefiting from our optimal low-cost deposit base.



We continue to optimize our costs despite the inflationary environment

Key Components of Operating Expenses

<i>In billions of Naira</i>	HY'21	HY'20	%Δ
Regulatory Cost	41.5	35.4	17
Personnel, Recruitment and Training	44.3	38.5	15
Depreciation and Amortisation	20.1	17.4	16
Administrative Expenses	7.6	7.7	(2)
IT and E-business expenses	13.8	12.1	14
Outsourcing Costs	9.7	11.4	(15)
Other Operating Expenses	16.7	15.1	11
Total	189.8	174.3	9

- **Growth in Operating expense by 9% y/y to ₦ 189.8bn (HY'20; ₦174.3bn)**, driven by the enlarged franchise following the acquisitions in Kenya, Mozambique, South Africa and Zambia.
- Operating expenses at Bank level was flat despite the increase in regulatory costs (+17% y/y), depreciation and amortization (+16% y/y)
- **Efforts on declining costs of operation** has been driven by:



Digitised customer journeys



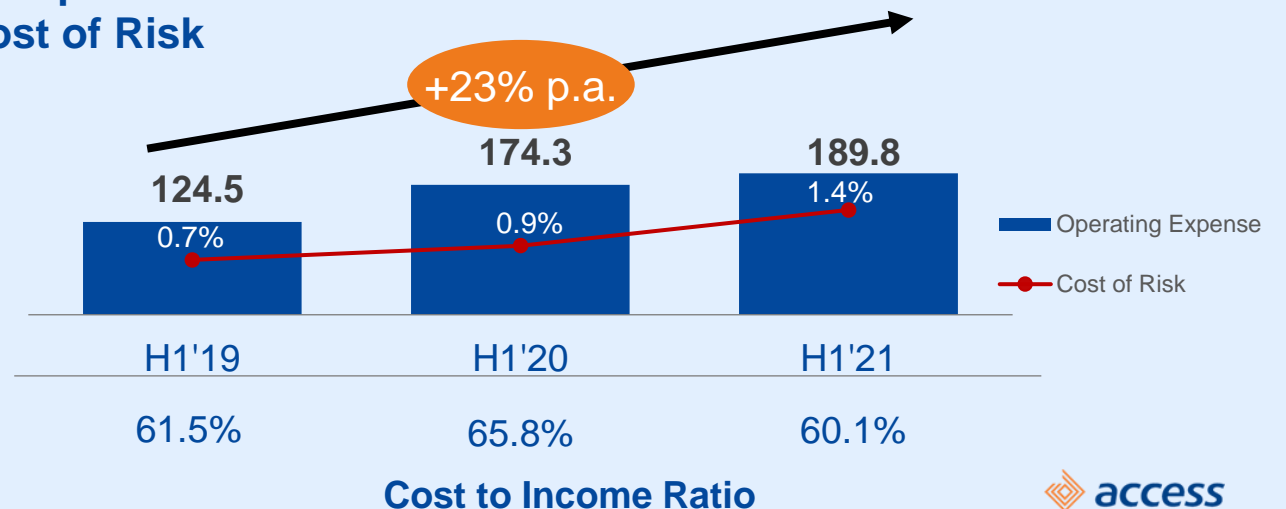
Digitised processes



A disciplined Opex management process, leading to cost savings ₦7.5bn

- **Accordingly, Cost to Income ratio** declined by 570bps y/y to 60.1% (HY'20: 65.8%)
- The **Cost of Risk** at 1.4% is in line with the Bank's guidance for the year

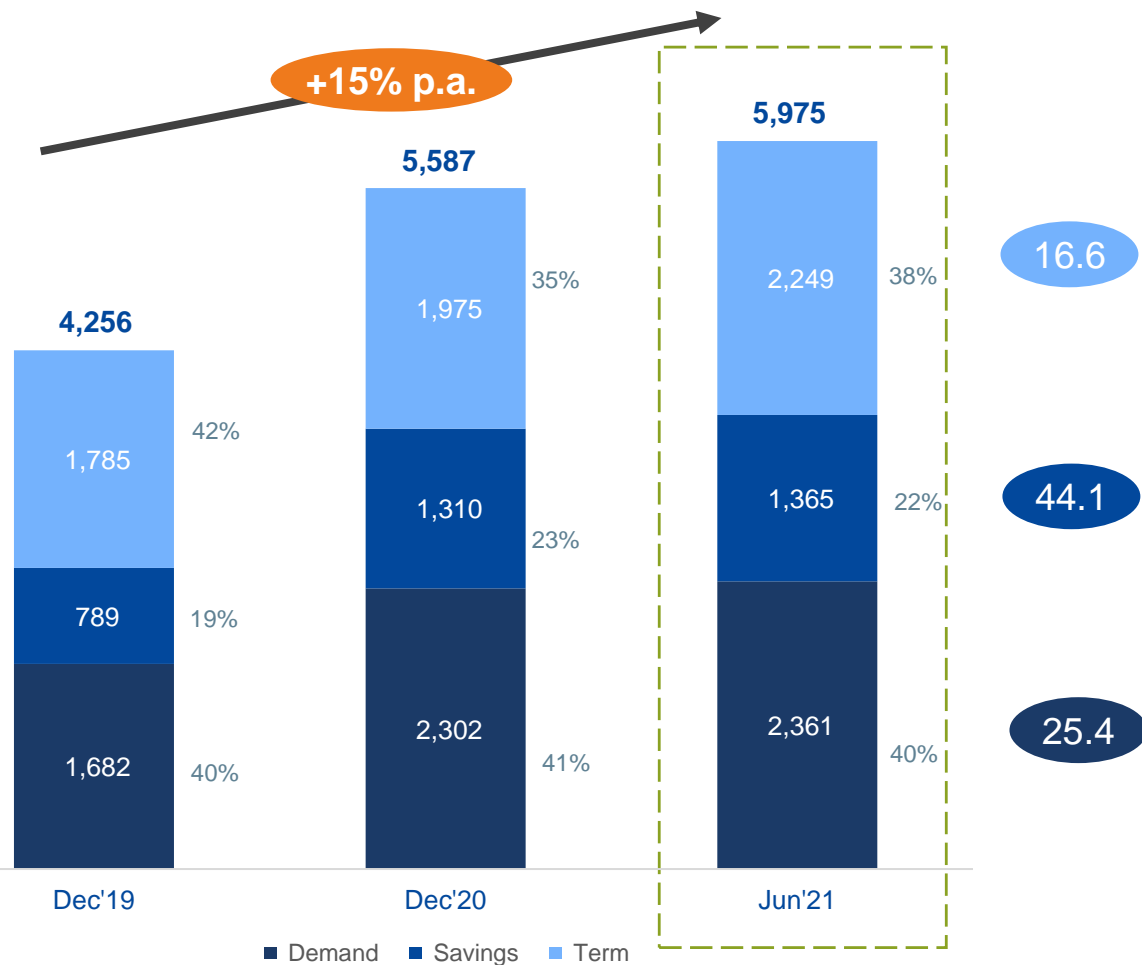
Operating Expenses and Cost of Risk



Improving deposit mix with deliberate Low-Cost Deposits mobilization

Customer Deposits (₦'bn)

CAGR, %



▶ Customer deposits increased by 7% YTD to ₦5.98trn in the period (Dec'20: ₦5.59trn), reflecting the impact of our continuous and deliberate deposit mobilization

▶ CASA⁽¹⁾ account deposits stood at ₦3.73trn (Dec'20: ₦3.61trn), accounting for 62% of customer deposits. This is largely as a result of leveraging innovative digital technology and financial inclusion to mobilize sustainable low-cost deposits

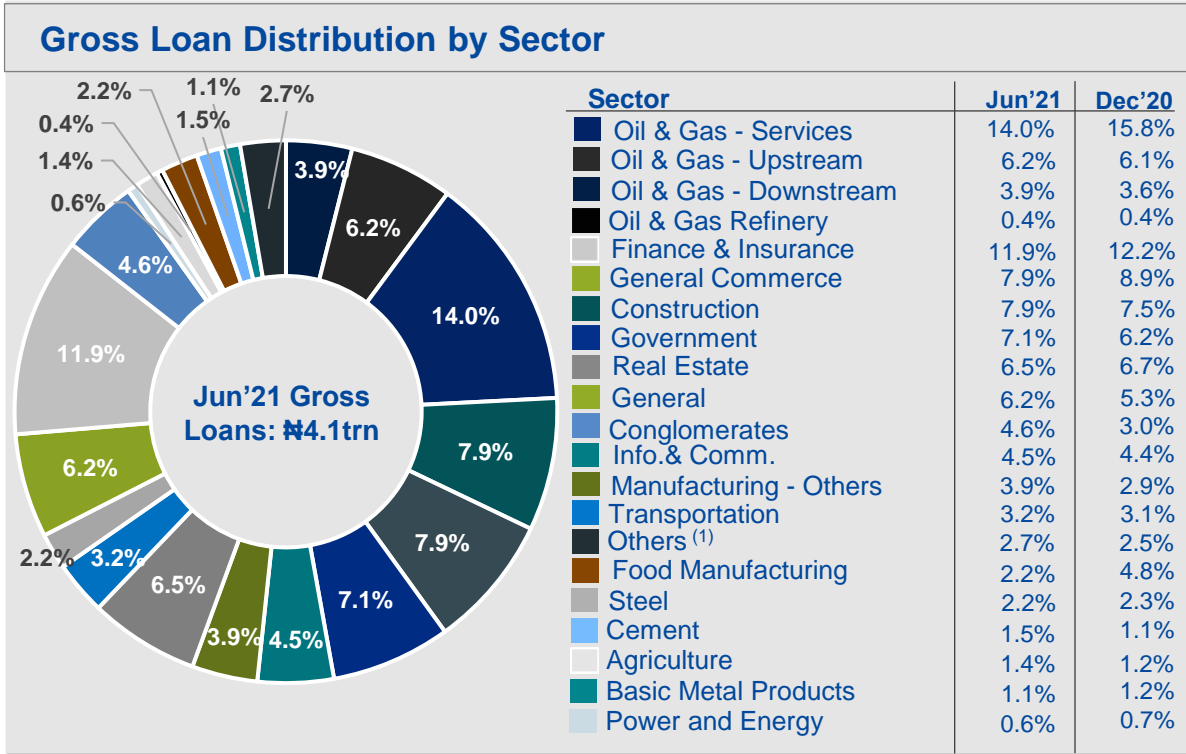
▶ Total savings account deposits closed the period at ₦1.37trn, recording a growth rate of 4% YTD

▶ Subsidiaries customer deposits totaled ₦1.73trn, accounting for 21% of the group's total deposits from customers

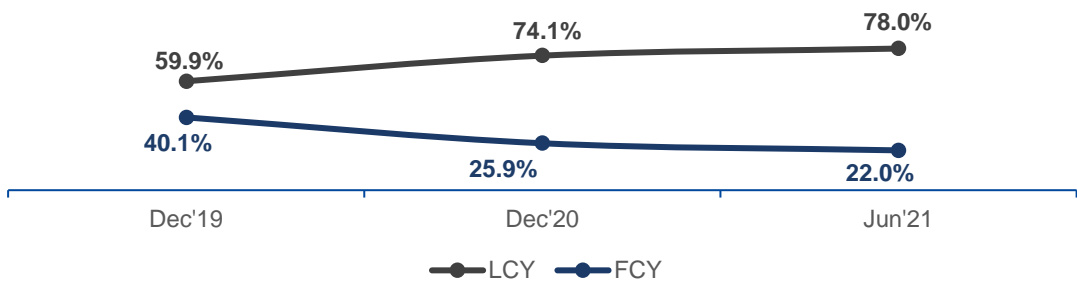
▶ UK and Ghana jointly accounted for 76% (Dec'20: 77%) of total subsidiary customer deposits

(1) CASA: Current Accounts and Savings Accounts

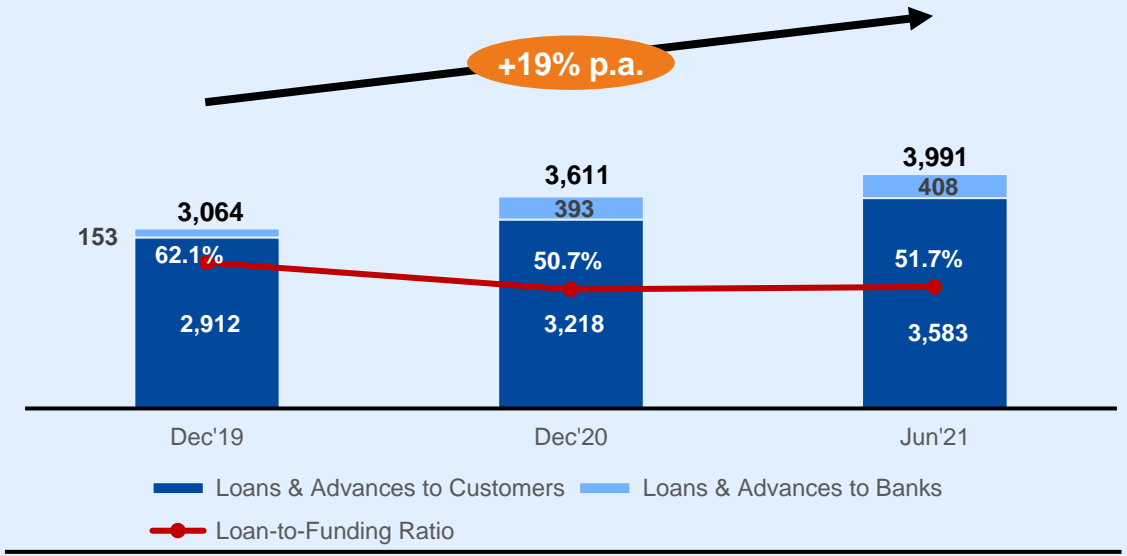
We maintain a well diversified loan book



Loans by Currency



Net Loans and Advances (₦'bn)

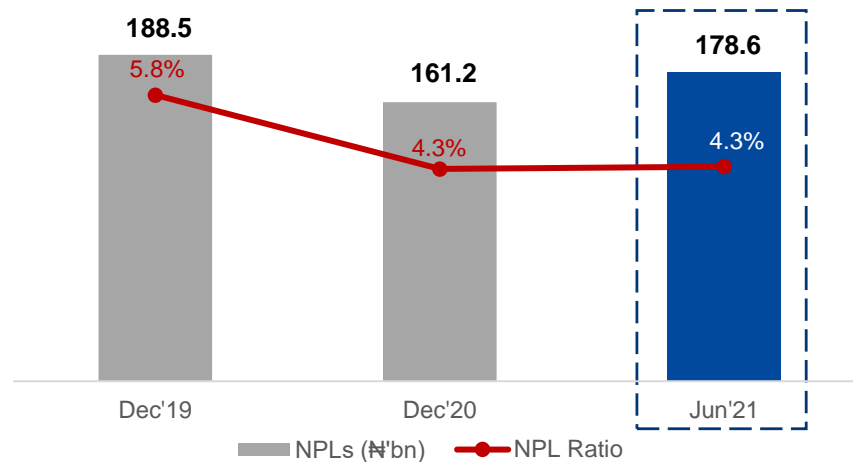


- ▶ **Well diversified gross loan book of ₦4.1trn** as at Jun'21 (Dec'20: ₦3.8trn), reflecting our strategic approach to mitigate concentration risk
- ▶ **FCY exposures dropped by 390 bps YTD to 22.0%** (Dec'20: 25.9%) of the total loan portfolio in the period, due to deliberate efforts at mitigating our currency risk
- ▶ **Loan-to-Funding ratio improved to 51.7%** as at Jun'21 (Dec'20: 50.7%)

(1) The following sectors are included in "Others": Education and Flourmills & Bakeries

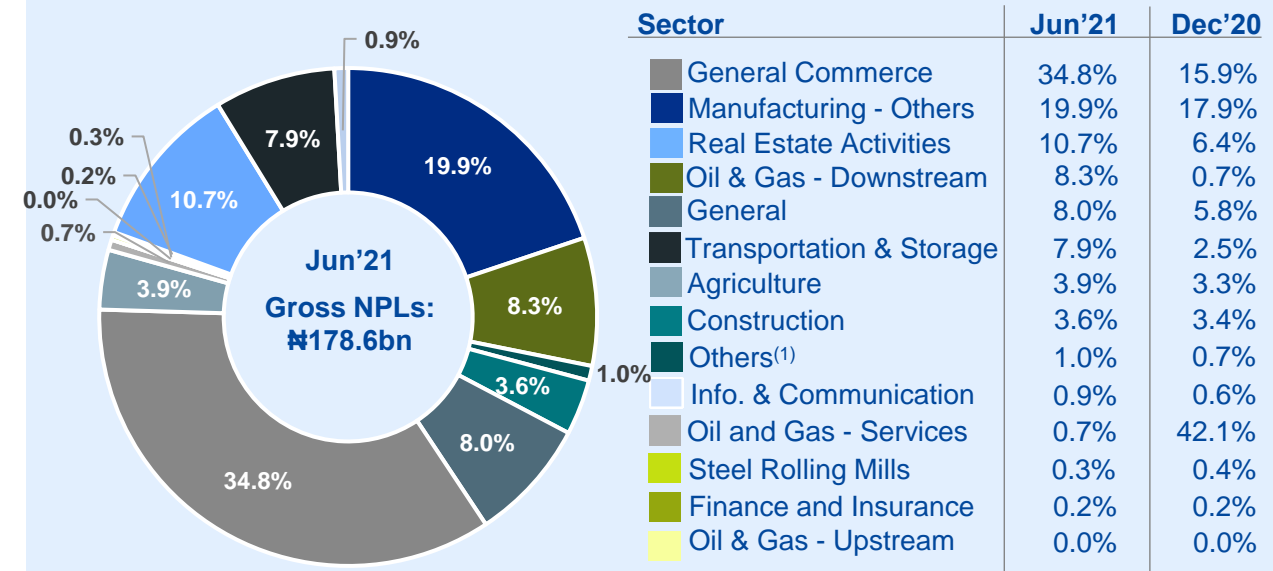
We continue to improve our assets quality as our loan portfolio grows

NPL Analysis



- **Asset quality remained stable** despite COVID induced macro pressures.
- **The group has maintained strong asset quality relative to peers** with NPL ratio stable at 4.3% in Jun'21 (Dec'20: 4.3%).

NPL Distribution by Sector



NPL Ratio by Sector

	Jun'21	Dec'20
Manufacturing - Others	22.0%	26.1%
General Commerce	19.0%	7.7%
Agriculture	12.4%	11.5%
Transportation and Storage	10.8%	3.4%
Oil and Gas - Downstream	9.2%	0.8%
Real Estate Activities	7.1%	4.1%
General	5.6%	4.7%
Construction	2.0%	2.0%
Info. & Communication	0.9%	0.6%
Steel Rolling Mills	0.6%	0.8%
Oil and Gas Services	0.2%	11.4%
Others ⁽¹⁾	0.2%	0.1%
Finance and Insurance	0.1%	0.1%
Oil & Gas - Upstream	0.0%	0.0%

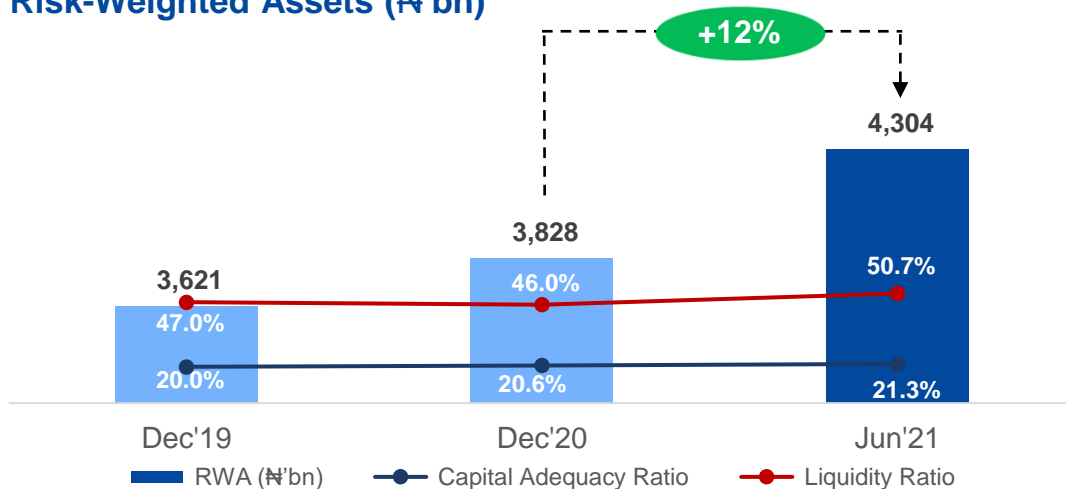
(1) The following sectors are included in "Others": Education, Government, Basic Metal Products, Cement, Conglomerates, Flourmills & Bakeries, Food Manufacturing, Oil & Gas Refinery, and Power & Energy

Despite investments made for growth, capital levels remain strong

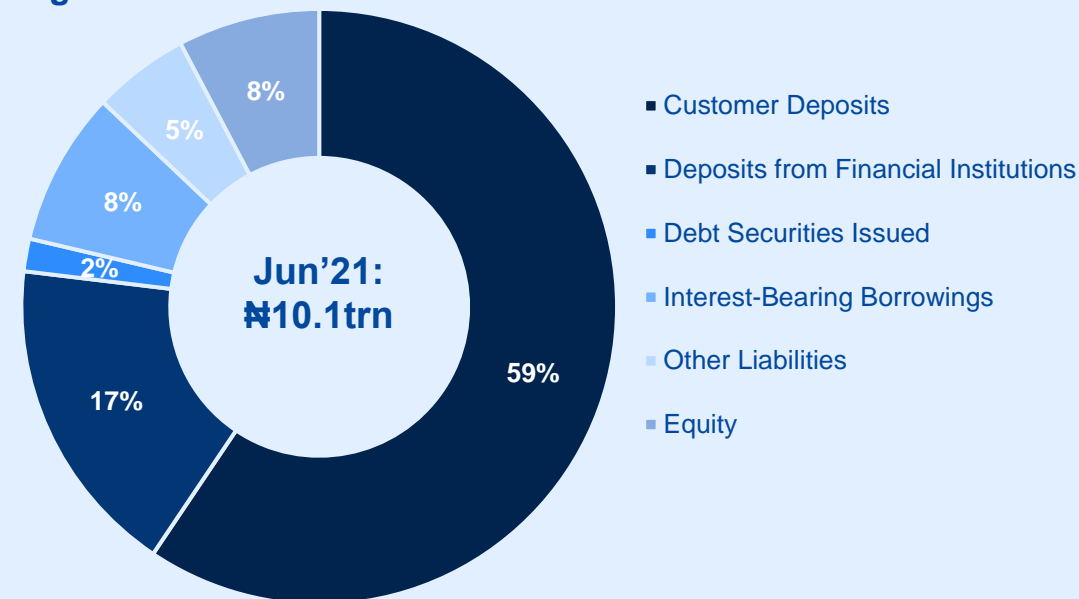
Capital Adequacy Computation – Basel II

Underlying in ₦'m	Jun'21	Dec'20	%Δ
Tier I Capital	686,230	591,696	16
Tier II Capital	228,720	197,212	16
Total Regulatory Capital	914,950	788,909	16
Credit Risk	3,349,070	2,605,446	29
Operational Risk	754,458	754,458	-
Market Risk	200,555	467,706	(57)
Risk-Weighted Assets	4,304,083	3,827,611	12
Capital Adequacy			
Tier I	15.9%	15.5%	
Tier II	5.3%	5.2%	
Total	21.3%	20.6%	

Risk-Weighted Assets (₦'bn)



Funding Sources

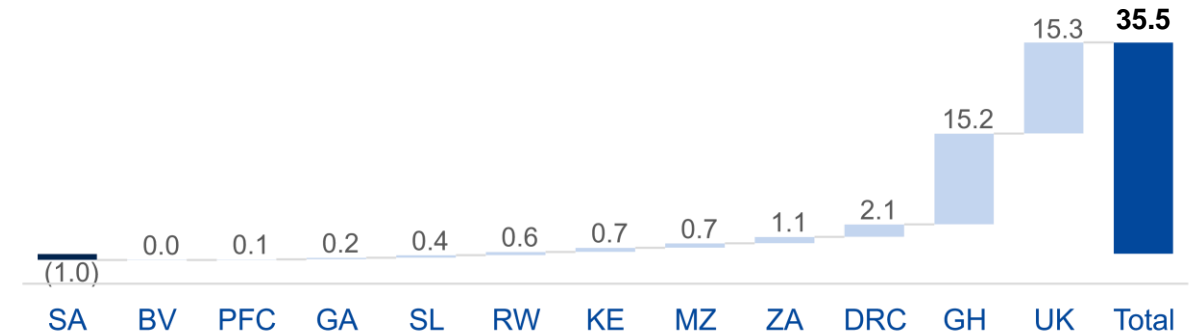


- A well diversified funding base of ₦10.1trn, reflecting a 16% YTD growth from ₦8.68trn
- Risk Weighted Assets (RWAs) increased by ₦476bn (+12% YTD), primarily driven by growth in our Total Asset
- Capital Adequacy Ratio (CAR) reflecting Day 1 IFRS 9 transitional adjustment stood at 21.3% (Dec'20: 20.6%), remained well above regulatory minimum of 15%
- Liquidity ratio in the period of 50.7% (Dec'20: 46.0%) remained well in excess of the regulatory minimum

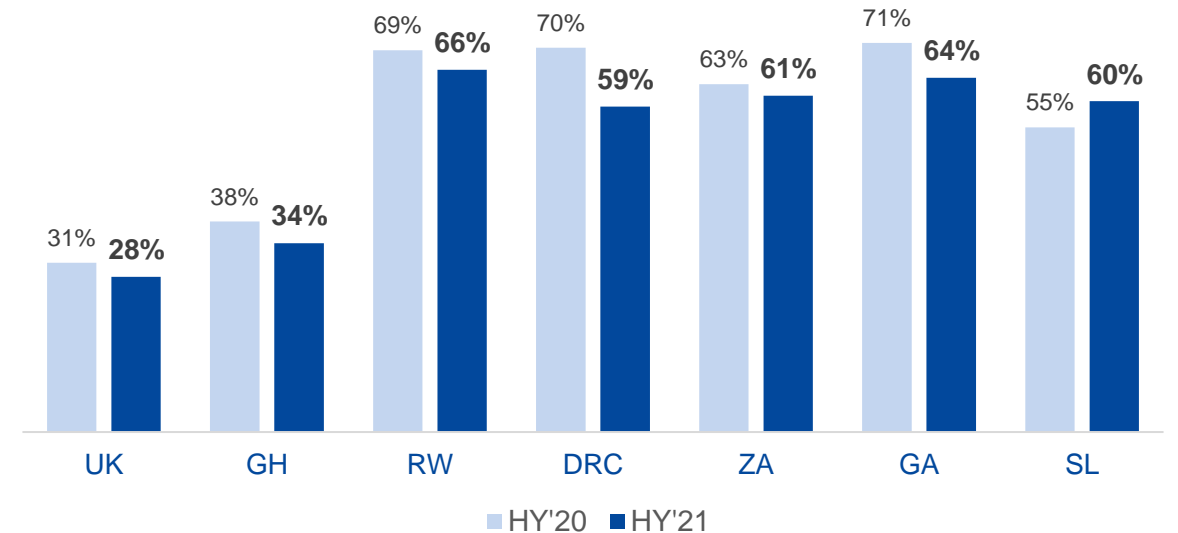
We have continued to record improvements in our Subsidiaries performance

- Subsidiaries' contribution to the Group's performance stood at 36%, recording a PBT of ₦35.5bn
- UK and Ghana accounted for 86% of total HY'21 subsidiaries' PBT, with a Return on Average Equity of 17% and 26% respectively
- Total Assets for subsidiaries grew by 40% YTD to close at ₦2.2trn (FY'20: ₦1.6trn)
- Net loans for subsidiaries stood at ₦973.4bn (+16% YTD), contributing 24% of total net loans for the Group
- Total deposits from subsidiaries amounted to ₦1.7trn (+42% YTD), contributing 21% of total Group deposits
- All subsidiaries excluding Access Sierra Leone recorded a decline in their cost-to-income ratios y/y, buttressing the impact of our effective cost cutting measures across the Group

PBT (₦,bn)



Cost-to-Income Ratio (%)





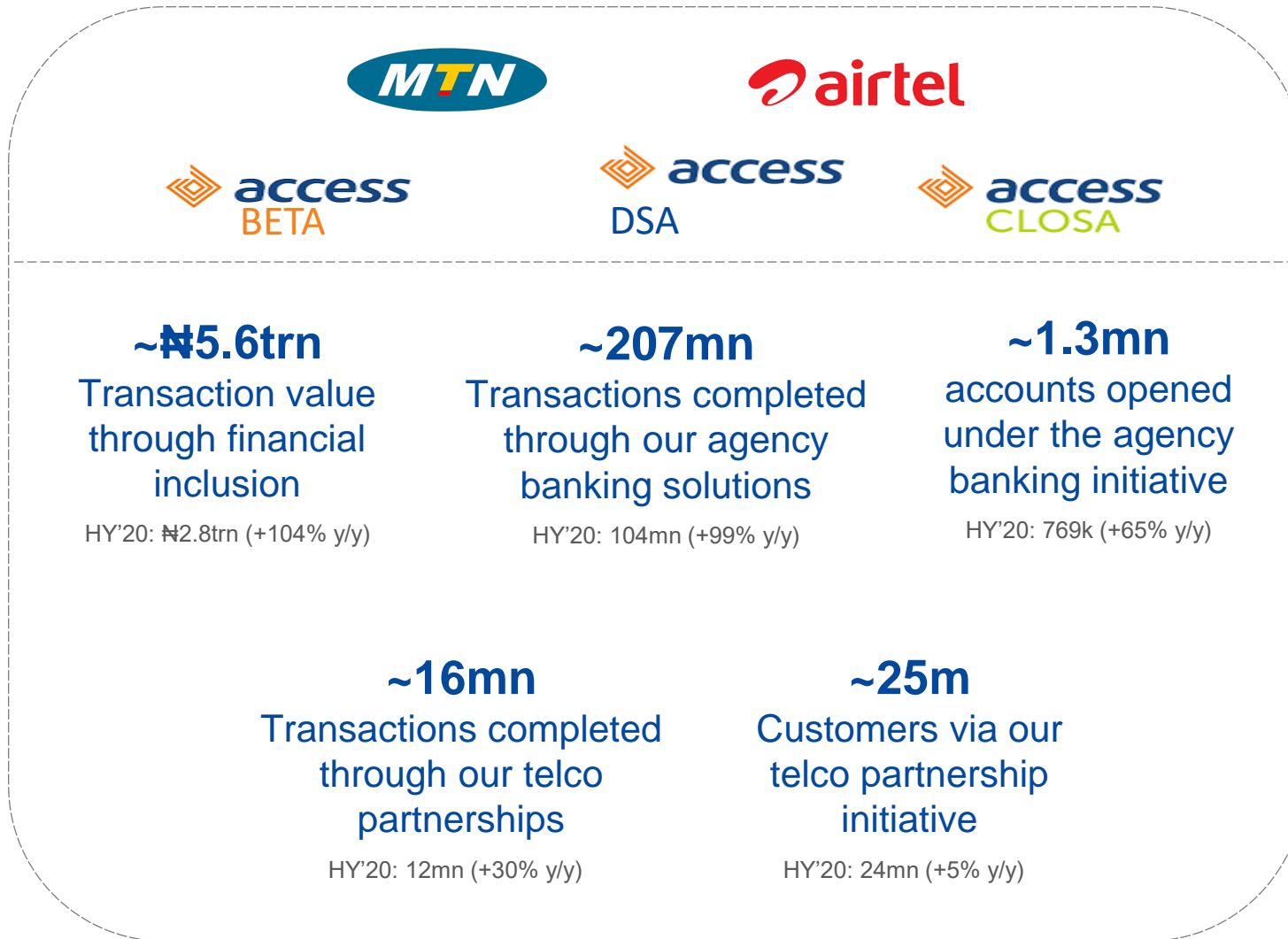
1 Introduction

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3 ▶ **Retail Performance Review**

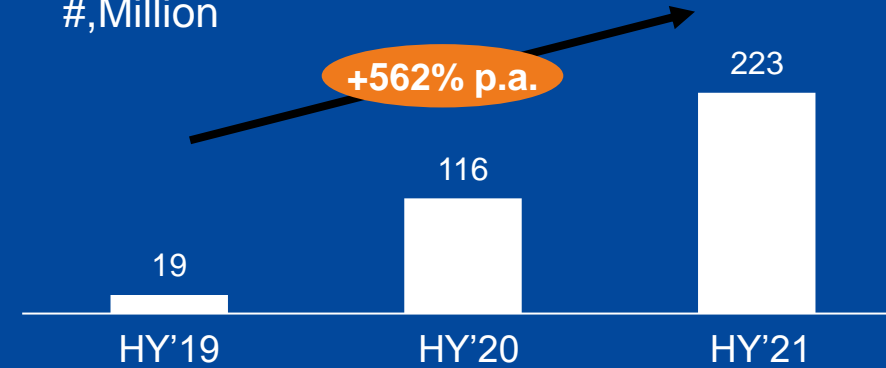
4 FY 2021 Outlook and Targets

Enhancing performance across our Financial Inclusion initiatives

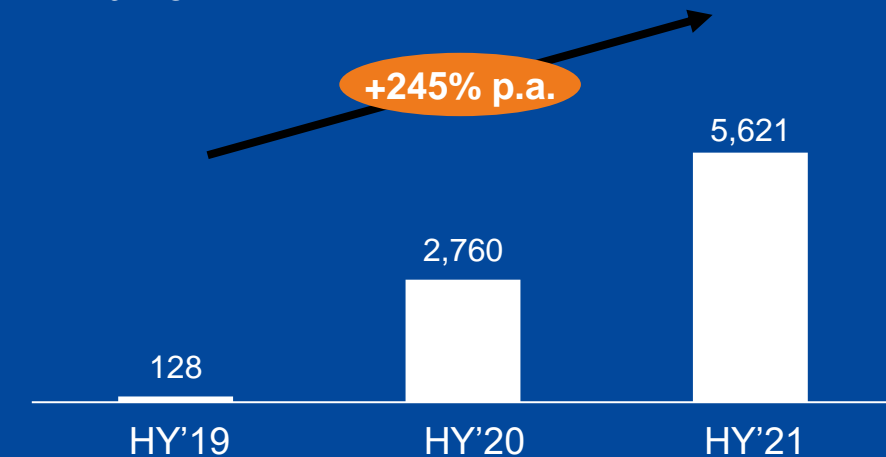


Statistics

Financial Inclusion Transaction volume, #, Million



Financial Inclusion Transaction value, ₦'billion



Increasing scale and velocity of our digital lending

Products



**Small Ticket
Personal
Loans**



**Pay day
Loans**



**Device
Financing**

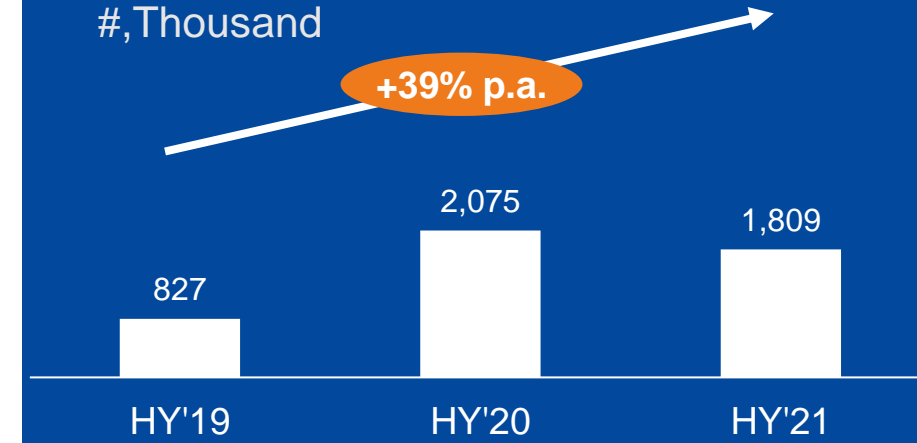


**Salary
Advance**

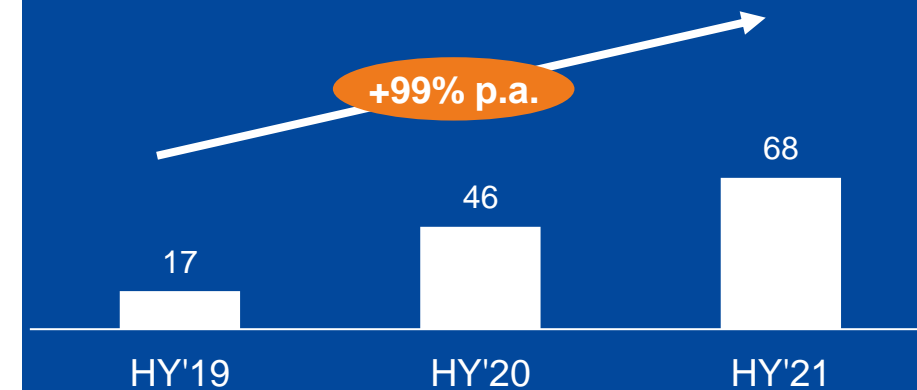
- ▶ **~~~₱~~68bn disbursement**, a 48% y/y growth from ~~₱~~46bn in HY'20
- ▶ **~1.8mn digital loans in the year**, a 13% y/y decrease from 2.1mn in HY'20
- ▶ **~~~₱~~5bn digital lending revenue generated**, 77% y/y growth from ~~₱~~3bn in HY'20

Statistics

Digital lending count,
#,Thousand



Digital lending value,
₱billion

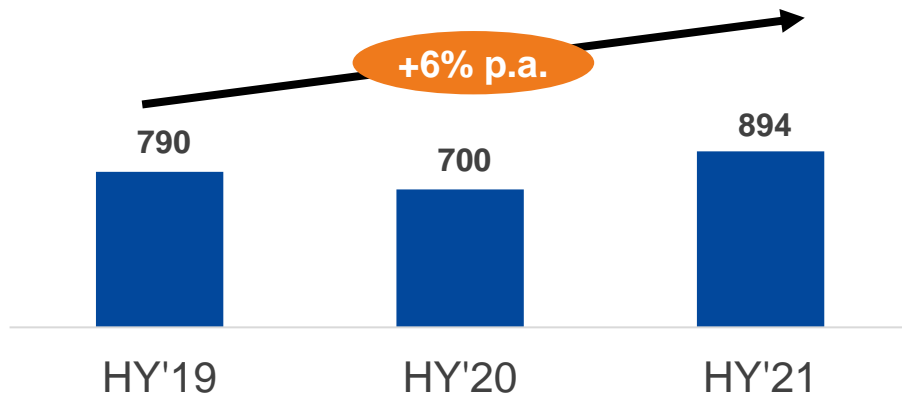


We are driving transaction income through enhanced digital channels transaction velocity

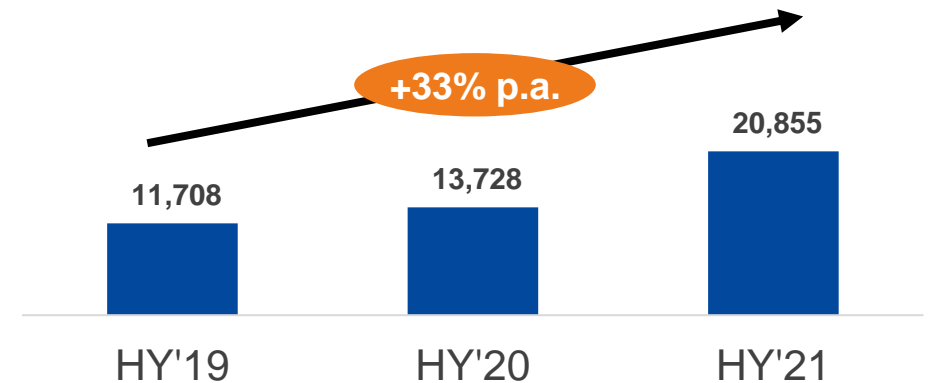
- Our market leading propositions are designed with the customer at the center
- Our customers have trusted our digital platforms resulting into significant growth

Channels	Count HY'21 (mn)	Count HY'20 (mn)	YonY Growth	Value HY'21 (₹'bn)	Value HY'20 (₹'bn)	YonY Growth
Debit/Credit Card	208	209	0%	1,965	2,002	(2%)
POS	36	48	(25%)	301	362	(17%)
Mobile & Internet Banking	197	128	53%	16,390	9,822	67%
ATM	76	75	2%	1,044	829	26%
USSD	377	240	57%	1,155	713	62%
Total	894	700	28%	20,855	13,728	52%

Total digital transaction count, million



Total digital transaction value, ₹'billion





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3 Retail Performance Review

4 ► **FY 2021 Outlook and Targets**

Our outlook in 2021 is deliberate and disciplined, with a targeted focus



Improve Asset Quality

- Deploy proactive risk management approaches to ensure continuous improvement in asset quality position.

Increase Transaction Banking Income

- Migrate our customers to alternative channels
- Create strong awareness of our flagship retail products

Retail deposit growth

- Intensify low-cost deposit drive to reduce funding costs, thereby enhancing liquidity and margins

Optimize Operational Efficiency

- Enhance productivity across our branches and staff
- Extract value from existing accounts

Cost Management

- Improve operating efficiency by aggressively executing strategic cost saving initiatives

Solid business momentum in HY in line with our 2021 guidance

FY 2021 Financial Targets

Return on Equity > 20%

HY'21: 22.8%

NPL Ratio < 5.0%

HY'21: 4.3%

Cost-to-Income Ratio < 60%

HY'21: 60.1%

Loan-to-Funding Ratio > 65%

HY'21: 51.7%

Capital Adequacy Ratio > 20%

HY'21: 21.3%

Cost of Risk < 1.5%

HY'21: 1.4%

Liquidity Ratio > 50%

HY'21: 50.4%

Net Interest Margin > 5%

HY'21: 6.4%

Thank you

