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9M
2017

**RESULTS PRESENTATION TO
INVESTORS AND ANALYSTS**

OCTOBER 2017

SPEED SERVICE SECURITY

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Outline

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Access Bank Overview

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Domestic Operating Environment

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Group Performance Review

4

Business Segment Review

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Q4'17 Outlook

1. Access Bank Overview

Fundamental Statistics

Group Snapshot

7 Banking Subsidiaries

3 Rep Offices

4,197
Professional Staff



8m+
Customers

Ownership Profile



₦505bn
Shareholders' Funds⁽¹⁾



Listings

THE Nigerian STOCK EXCHANGE
(Primary equity listing) RC: 2321

Irish Stock Exchange
(\$400m Tier II bond)
(\$300m Senior bond)

Awards & Recognition

- The Banker Awards, 2016
- Bank of the Year (Nigeria)
- EMEA Finance African Banking Awards, 2016
- Best Bank in Nigeria
 - Corporate Social Responsibility (Pan-Africa)
- Euromoney Awards, 2016
- Best Bank Transformation
- Karlsruhe Sustainable Finance Awards, 2017
- Outstanding Business Sustainability Achievement Award

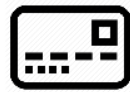
Credit Ratings⁽²⁾ and Channels

MOODY'S **Aa2**

FitchRatings **A**

STANDARD & POOR'S **BBB**
RATINGS SERVICES

Agusto & Co **AA-**



4.9m
Cards



1,810
ATMs



383
Branches



8967
POS Terminals

(1) Total Equity (including non-controlling interest)

(2) Long-term issuer national ratings

Our International Network

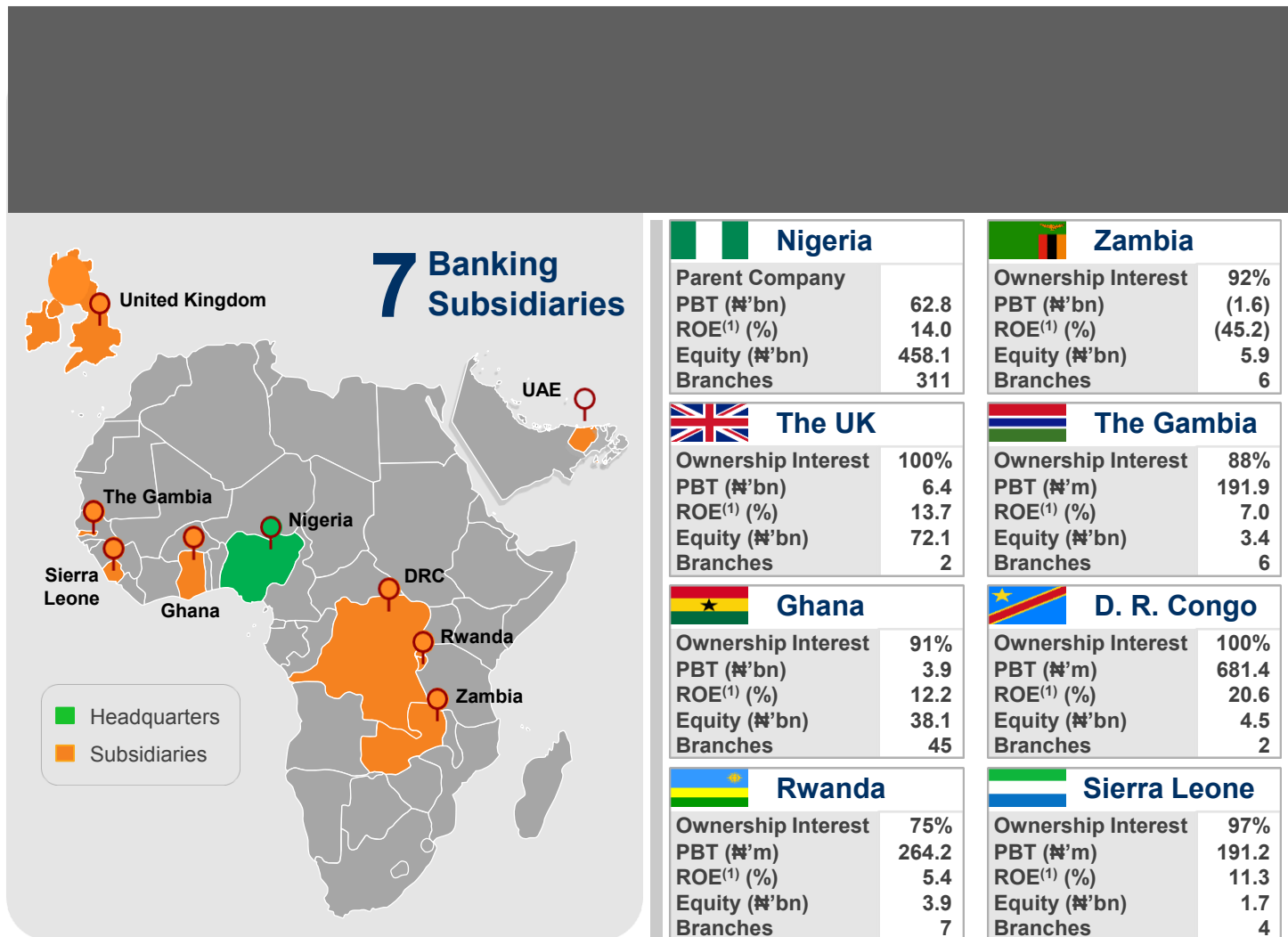
With three representative offices in:

China

Lebanon

India

and the UK subsidiary expanding its operations to The UAE, the Group is well positioned to support trade flows from the far east and in line with our compliance and risk management framework

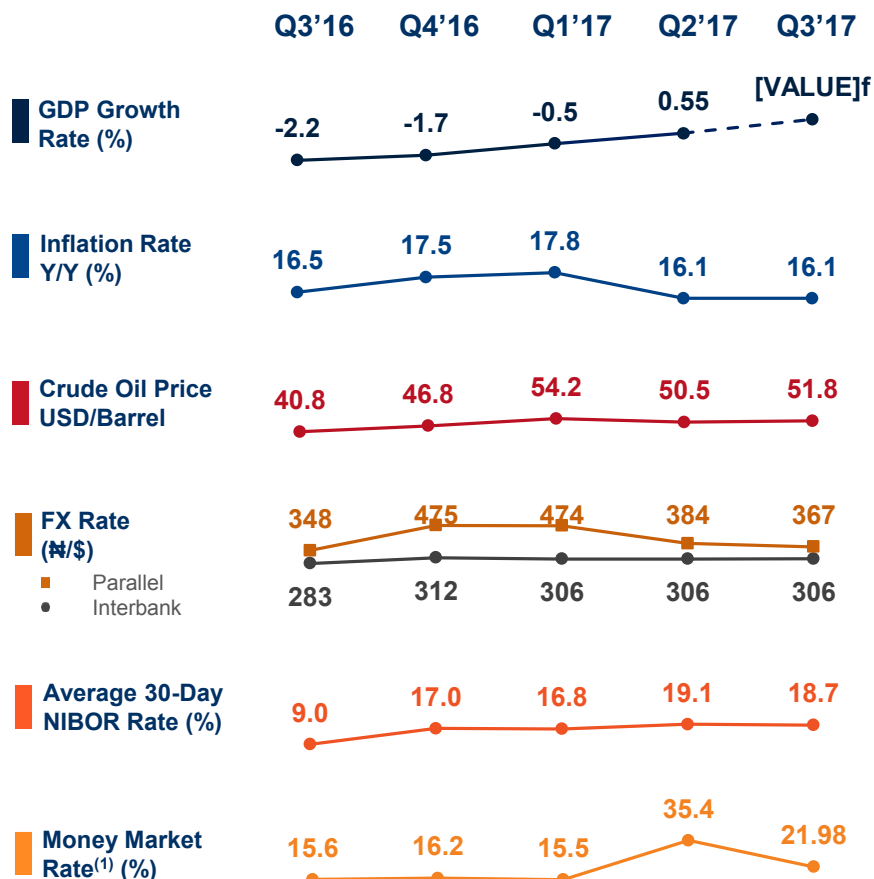


(1) ROE is calculated as Profit for the period (Profit After Tax) divided by Average Total Equity

2. Domestic Operating Environment

The Nigerian Economy

Key Macroeconomic Indicators



- Following five consecutive quarters of contraction, the economy exited recession, as GDP grew +0.55% y/y, in Q2'17. This recovery was driven by sustained increase in oil price and production, improved FX liquidity and expansion in the non-oil sector especially in the Agriculture, Manufacturing, Trading and Financial sectors. The economy is forecasted to grow by 2% in Q3'17
- Headline inflation stood at 15.58% in September, down 52bps from 16.10% in June, indicating the eight consecutive decline in the year
- Bonny Light price rose 131bps q/q, averaging \$51.80pb in the period and settled at \$59.92pb as at September. Consequently, Nigerian foreign reserves rose to \$32.49bn in Sept. from \$30.29bn in June, buoyed by higher exports and relative strength in crude oil prices. The reserves have grown 25.73% year- to-date
- In Q3 2017, the Naira appreciated 0.05% q/q at the Interbank, and strengthened in the parallel market, by 4.3%, to ₦367/\$ in Q3'17 compared to ₦384/\$ in Q2'17. In the I&E FX window, the local unit appreciated by 1.73% q/q and 4.06% since its commencement in April, to N360.08/\$

Source: CBN, National Bureau of Statistics (NBS), Financial Derivatives Company Limited (FDC), Business Monitor International (BMI), Trading Economics
 (1) Call rate was used as an indicator for the Money Market Rate

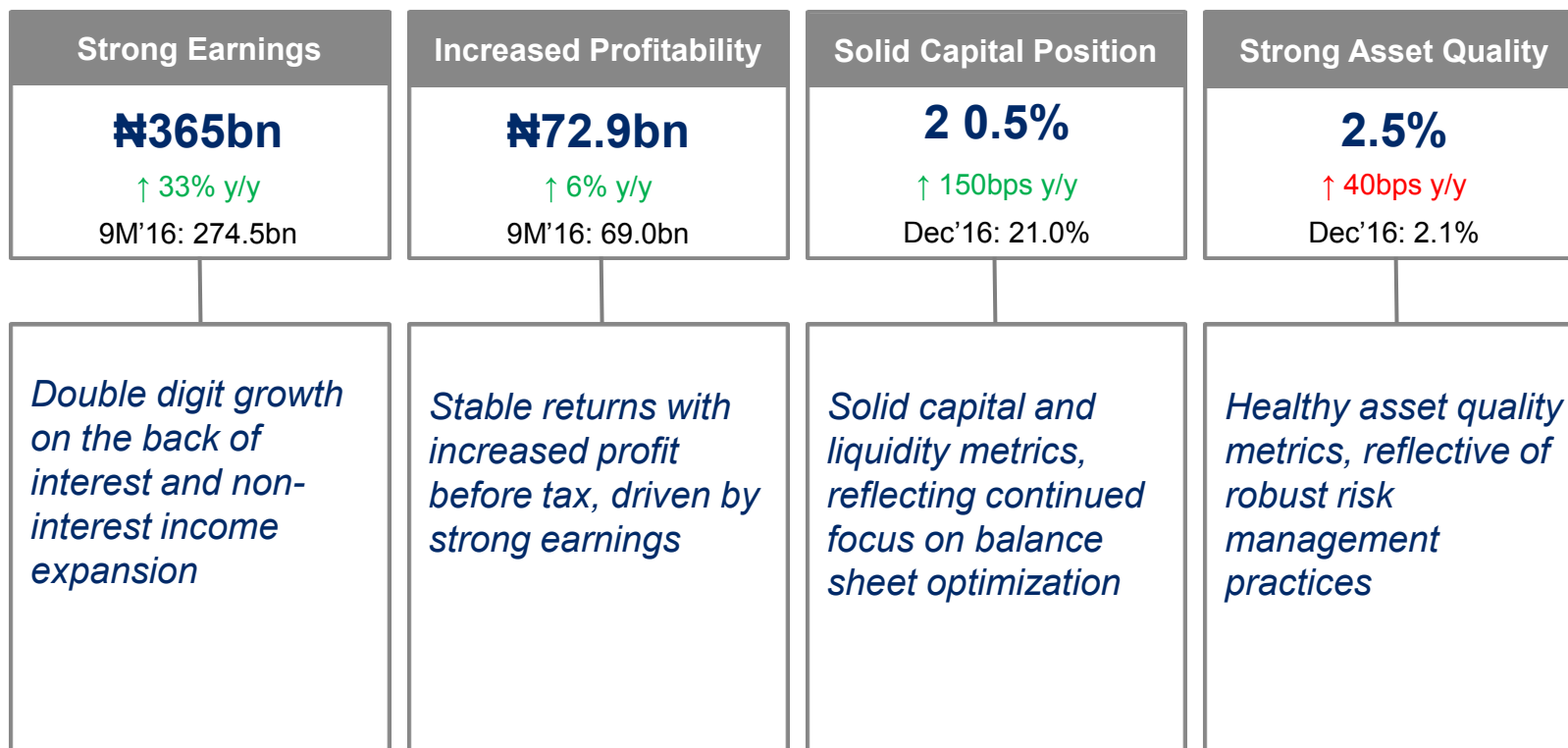
Regulatory Highlights

Jan - Sep

- Monetary Policy Committee maintained the Monetary Policy Rate (MPR) and Cash Reserve Ratio (CRR) at 14% and 22.5%, respectively
- CBN released policies on operationalization of FX sales and consequently commenced aggressive intervention in the forex market leading to market convergence
- CBN introduced Investors' & Exporters' FX window to boost liquidity in the FX market
- Commercial bank's limit on foreign currency loans was raised to 125% from 75% of shareholder's funds
- CBN introduced specialized FX window for SME's to buy \$20,000 per quarter in a bid to reduce foreign currency demand at the parallel market
- Introduction of short-dated Forward Currency Contracts
- Revised guidelines on bank charges was released
- CBN clarified list of 36 items valid for FX in the Nigerian foreign exchange market
- Issuance of a revised guideline on investment for Pension Fund Assets (PFAs), allowing their investment in bank holding companies
- CBN published exposure draft for licensing Private Asset Management Companies to manage non-performing loans

3. Group Performance Review

Key Messages



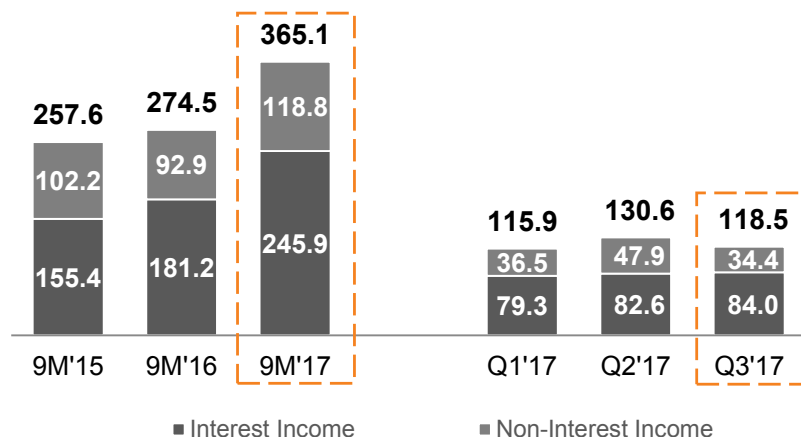
Group Financial Highlights

Profitability	₹'million	9M'17	9M'16⁽¹⁾	Δ
	Gross Earnings	365,055	274,468	33%
	Net Interest Income	121,473	106,374	14%
	Operating Income	240,288	199,263	21%
	Operating Expenses	154,554	117,938	31%
	Impairment Charges	12,824	12,336	4%
	Profit Before Tax	72,910	68,989	6%
	Profit After Tax	56,396	54,081	4%
EPS (k)	197	198	0%	
Cost-to-Income (%)	64.3	59.2	5.1	
Balance Sheet	₹'billion	Sep'17	Dec'16	Δ
	Loans and Advances	1,849	1,855	0%
	Total Assets	3,541	3,484	2%
	Customer Deposits	1,924	2,089	(8%)
Shareholders' Fund	505	454	11%	
Prudential Ratios	Percentage (%)	9M'17	FY'16	Δ
	After-Tax ROAE	15.7	17.4	(1.7)
	Capital Adequacy (%)	20.5	21.0	(0.5)
	Liquidity (%)	46.0	43.6	2.4
Loan-to-Deposit	72.8	74.0	(1.2)	

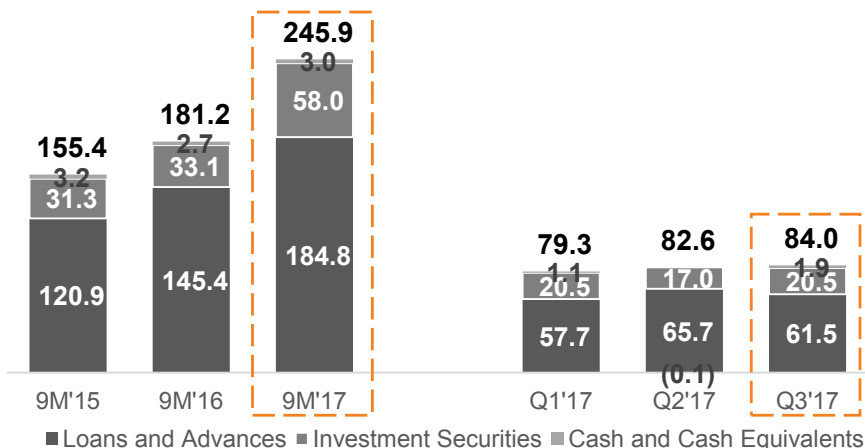
(1) 9M'16 includes restated figures for the period to show the retrospective impact of the AMCON charge on the Statement of Comprehensive Income

Revenue

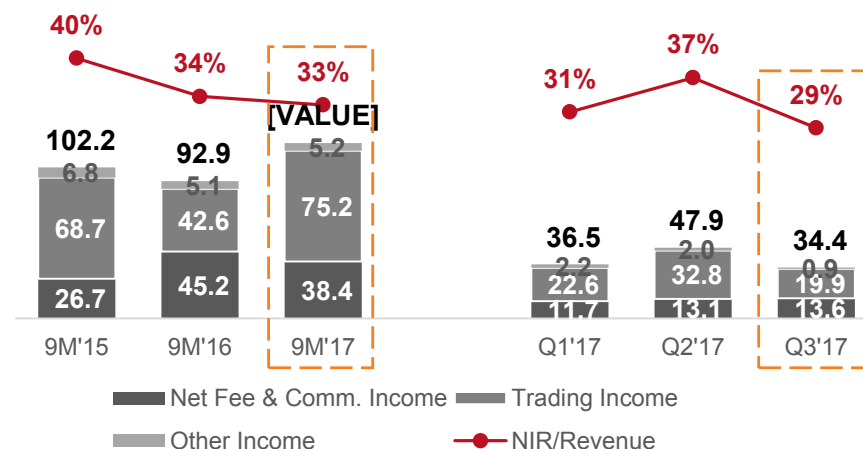
Gross Earnings⁽¹⁾ (₦'bn)



Interest Income (₦'bn)



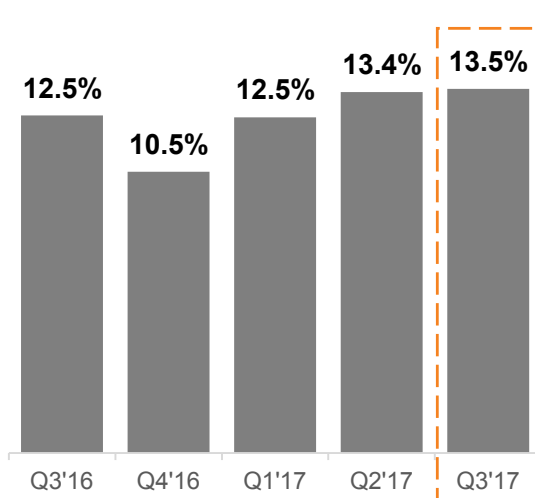
Non-Interest Income (₦'bn)



- Gross earnings grew 33% y/y to ₦365.1bn in 9M'17 (9M'16: ₦274.5bn) driven by a 44% and 37% increase in interest income and non-interest income of ₦245.8bn and ₦118.8bn, respectively during the period
- Interest income drivers:
 - 27% y/y growth in interest from Loans and Advances as a result of better pricing on the loan portfolio
 - 75% y/y increase in interest from investment securities, to ₦58.0bn (9M'16: ₦33.1bn) on the back of increased yields on earning assets
- Non-Interest Income drivers:
 - Net trading income growth of ₦75.2bn (+77% y/y) underlined by improved FX liquidity leading to increased FX trading volumes
 - Sustained improvement in Net fee & commission income

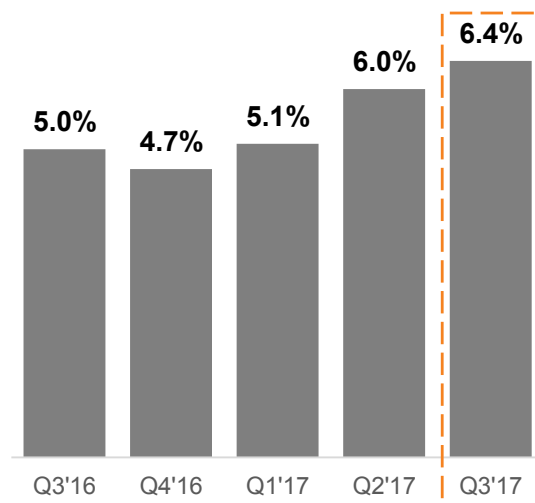
Margin Analysis

Yield on Assets (YoA)



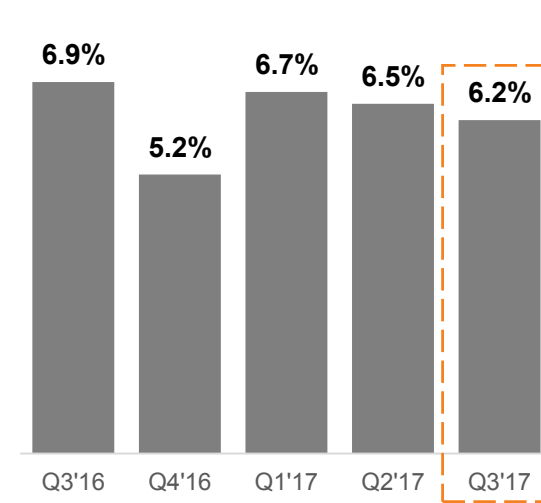
Yield on Assets increased marginally by 10bps to 13.5% in Q3'17 (Q2'17: 13.4%) resulting from asset re-pricing in the last quarter

Cost of Funds (CoF)



Cost of Funds up 40bps q/q to 6.4% largely as a result of higher interest rate environment and tight market liquidity during the period

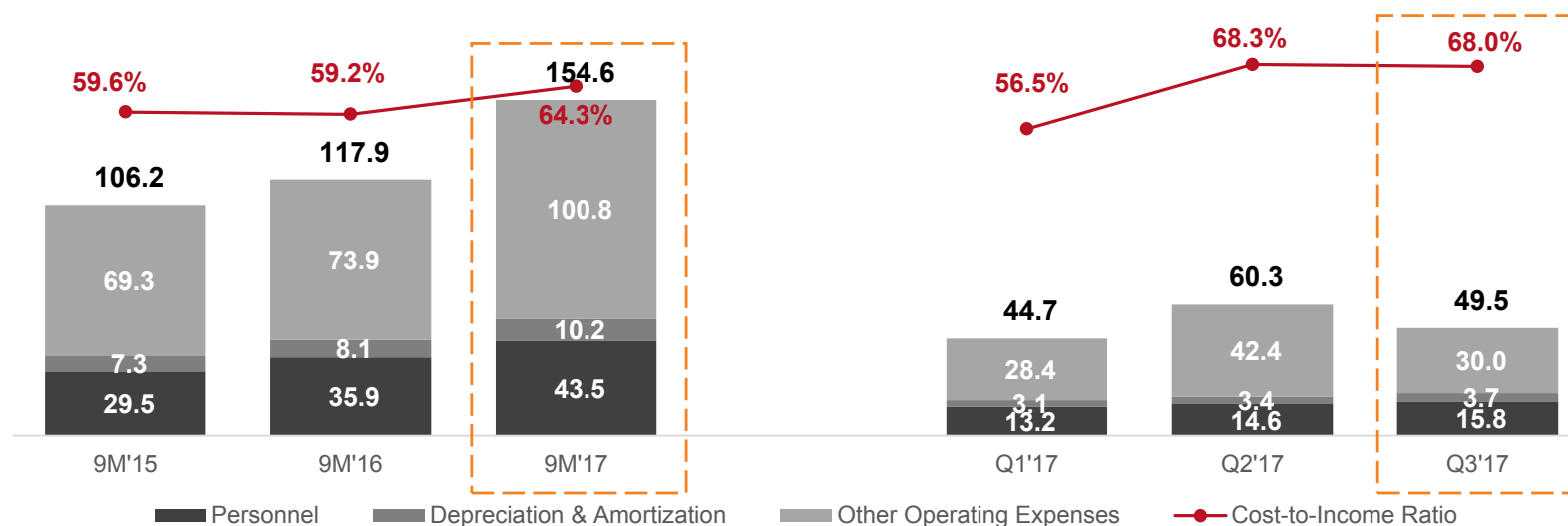
Net Interest Margin (NIM)



Net Interest Margin declined in Q3'17 (-30bps q/q to 6.2%), as growth in interest income was not sufficient to offset the increase in funding costs.

Operating Expenses

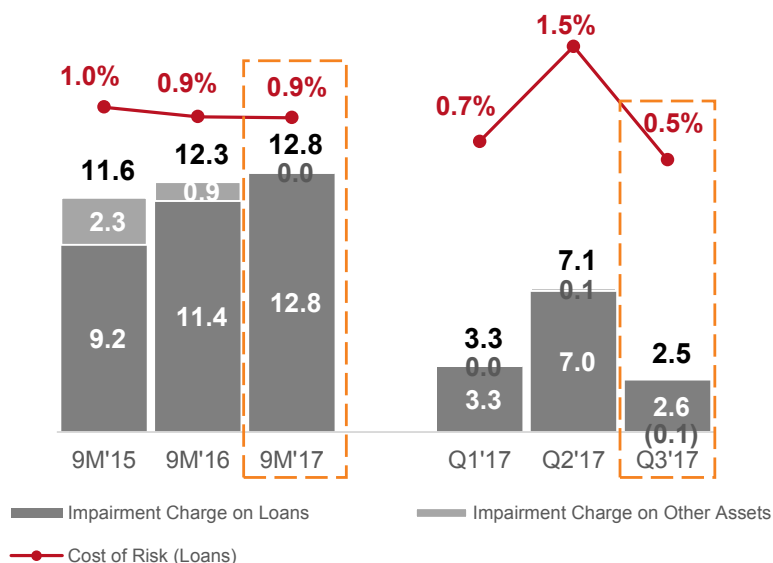
Operating Expenses (₦'bn)



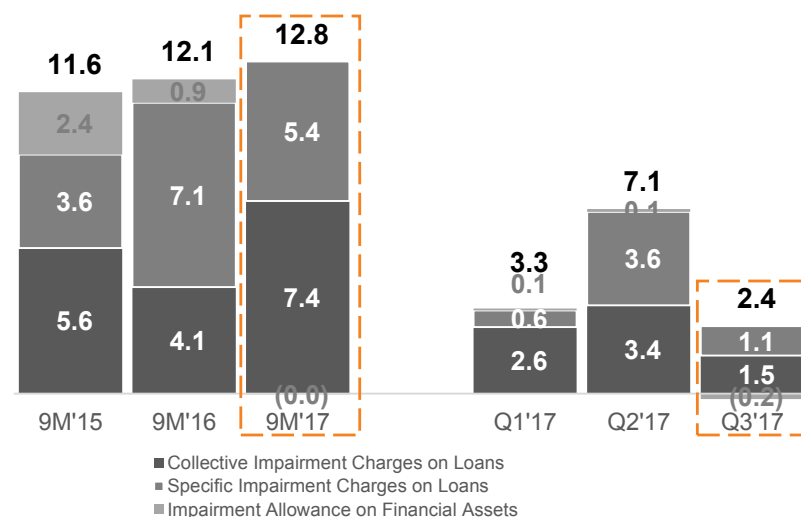
- Operating expenses grew 31% y/y to ₦154.6bn (9M'16: ₦117.9bn) due to persistent FX translation impact on operating costs, and inflation. However OPEX was substantially down 5% q/q (excluding AMCON charge) as the bank continues to effect its cost management strategies. Despite this reduction, Cost to income ratio increased by 5.1pts y/y to 64.3% due to pressure on earnings in Q3'17
- Key drivers include:
 - Personnel costs driven by adjustment in employee compensation
 - Administrative expenses underlined by a high inflationary environment and continued impact of devaluation on the prices of goods and services
 - IT expenses on the back of expansionary retail and digital focus
 - Brand enhancement and advertisement
 - Brand ambience and infrastructure upgrade

Impairment Analysis

Impairment Charges (₦'bn)



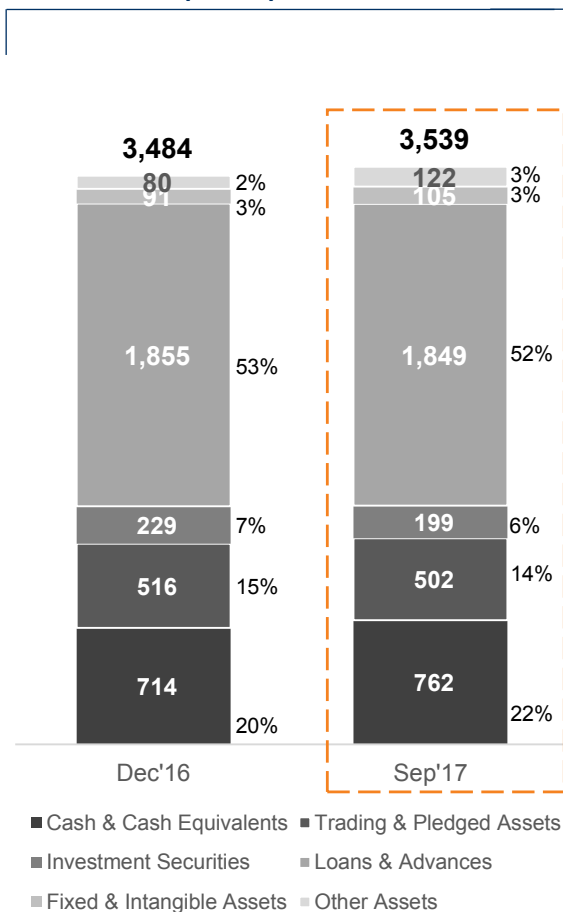
Breakdown of Impairment Charges (₦'bn)



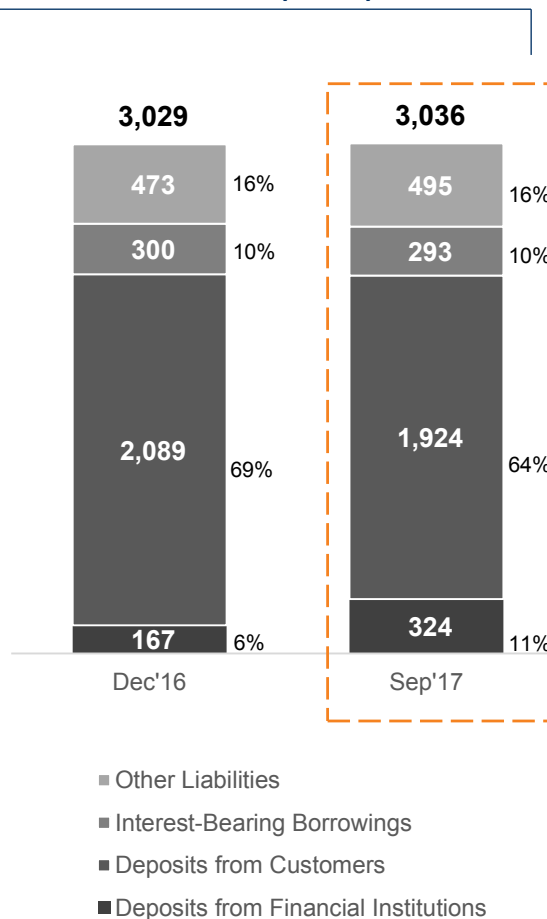
- Net impairment charges on credit losses stood at ₦12.8bn in 9M'17 (9M'16: ₦12.3bn). Of the ₦12.8bn, collective impairment charges on loans were ₦7.1bn (9M'16: ₦4.1bn)
- On a q/q basis, net impairment moderated on the back of significant collective impairment reserves (including N4bn collective impairment taken on EMTS) in 6M'17
- Cost of risk remained flat y/y at 0.9%

Balance Sheet Snapshot

Asset Mix (₹'bn)



Total Liabilities (₹'bn)



Key Metrics

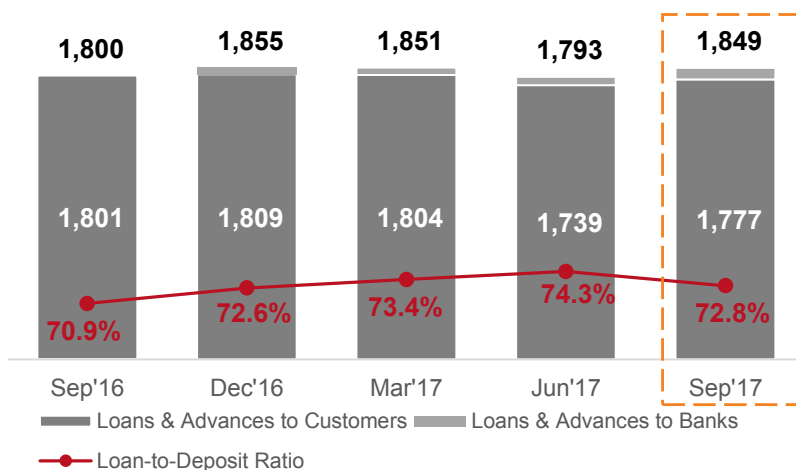
Capital Adequacy	20.5% Dec'16: 21.0%
Liquidity Ratio	46.0% Dec'16: 43.6%
NPL Ratio⁽¹⁾	2.5% Dec'16: 2.1%
NPL Coverage Ratio⁽²⁾	199.1% Dec'16: 169.0%

(1) NPL Ratio is calculated as Total Impaired Loans to Banks and Customers divided by Total Gross Loans in the period

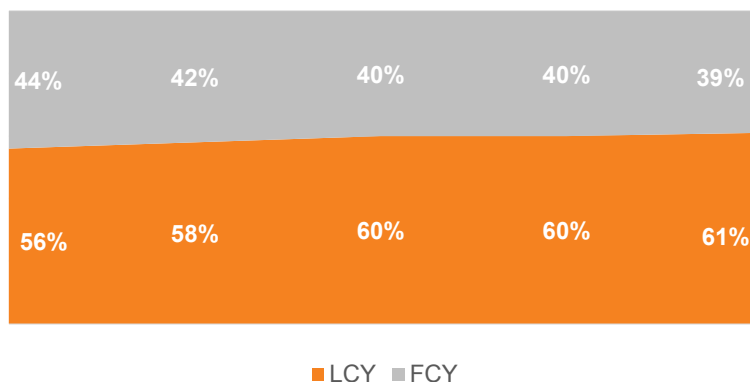
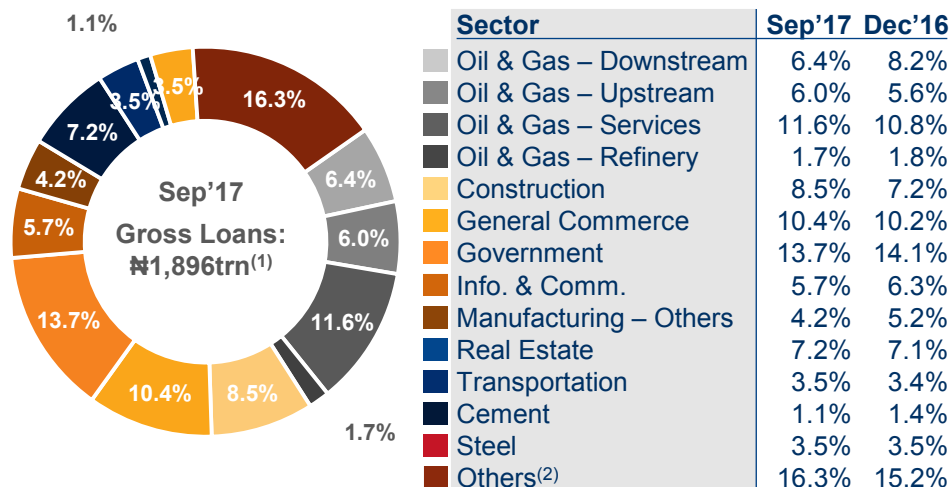
(2) NPL Coverage Ratio is calculated as Total Allowances for Impairment Losses in the period (including Regulatory Risk Reserve) divided by Total Non-Performing Loans

Loan Analysis

Loans and Advances (₦'bn)



Loan Distribution by Sector



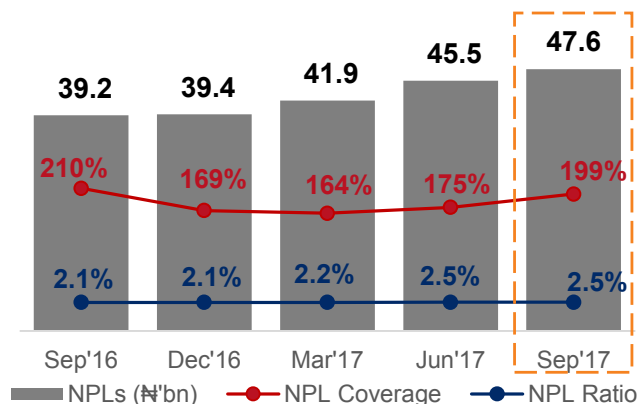
- Well diversified loan portfolio with focus on investment grade obligors
- Net loans and advances stood at ₦1.85trn as at Sep'17 compared with ₦1.86trn in December. However, improved q/q by 3% from ₦1.79trn in June 2017. Modest q/q growth was in line with the Bank's deliberate risk management strategies
- FCY loans to total loans closed at 39% in Jun'17, down 300bps from 42% in Dec'16
- Loan-to-deposit ratio (inclusive of interest-bearing borrowings) stood at 72.8% as at Sep'17 (Dec'16: 74.0%)

(1) Stated Gross Loans figure includes Gross Loans & Advances to Banks as at 30 September 2017

(2) The following sectors are included in "Others": Agriculture, Education, Finance & Insurance, General, Basic Metal Products, Conglomerates and Food Manufacturing

Asset Quality

NPL Analysis (₹'bn)

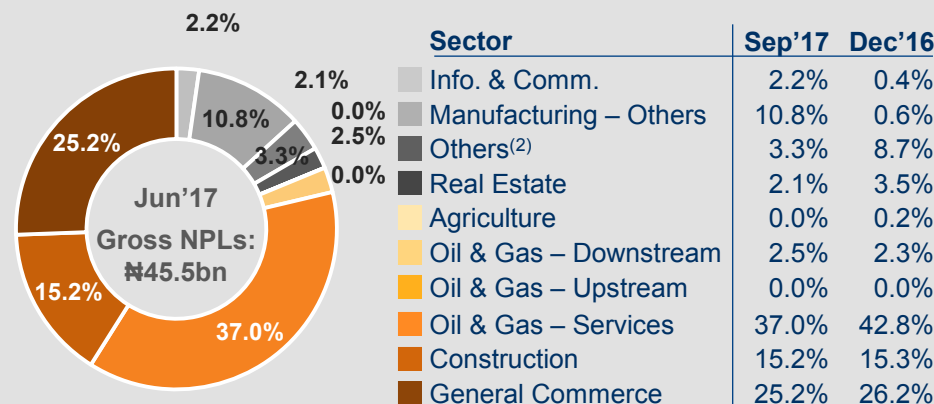


- Stable asset quality, underlined by disciplined risk management practices
- NPL ratio inched up 40bps to 2.5% in the period (Dec'16: 2.1%) reflecting the lagged impact of the unfavourable macro on the loan portfolio. NPL still within 2017 guidance of 3.0%
- Restructured facility of 5.1% of total loan portfolio. Key drivers include Oil & Gas downstream (48%), Real Estate (26%) and Manufacturing (11%)
- Adequate NPL coverage ratio (including regulatory risk reserve) at 199.1% as at Sep'17 (Dec'16: 169.0%)

NPL Ratio by Sector⁽¹⁾

	Sep'17	Dec'16
Oil & Gas – Services	8.0%	8.3%
General Commerce	6.1%	5.4%
Construction	4.5%	4.4%
Manufacturing- Others	6.4%	0.2%
Oil & Gas – Downstream	1.0%	0.6%
Info & Comm.	1.0%	0.1%
Real Estate	0.7%	1.0%
Others ⁽²⁾	0.5%	0.6%
Agriculture	0.0%	0.4%
Oil & Gas – Upstream	0.0%	0.0%

NPL Distribution by Sector



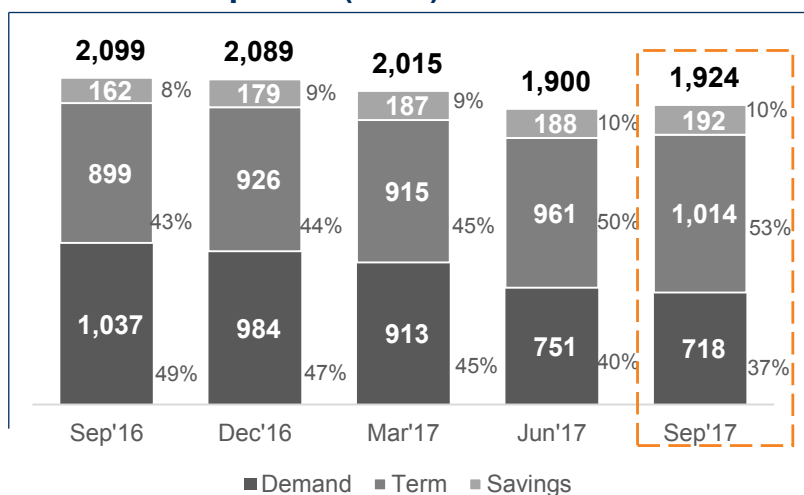
(1) Measures the portion of the total credit exposure by sector that is impaired. **Formula:**

$$\text{NPL}_{(\text{Sector})} / \text{Total Gross Loans}_{(\text{Sector})}$$

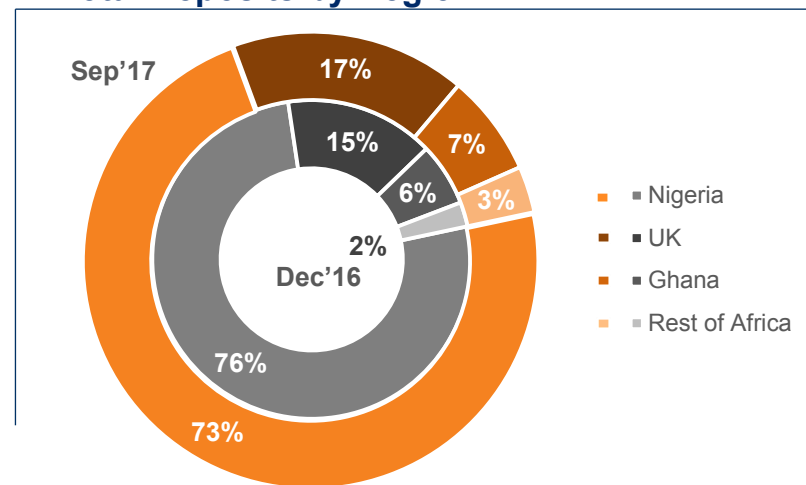
(2) The following sectors are included in "Others": General, Finance & Insurance, Basic Metal Products, Government, Food Manufacturing, Transportation and Storage

Deposit Analysis

Customer Deposits (₦'bn)



Total Deposits by Region



- Customer deposits declined -8% YTD to ₦1.92trn in Sep'17 (Dec'16: ₦2.1trn), but improved q/q benefiting from deliberate and focused deposit drive
- Sustained growth in savings account balances by 7% to ₦192bn as at Sep'17 from ₦179trn in Dec'17
- CASA balances account for 57% while term deposits account for 53% of the total customer deposit base as at Sep'17,
- Subsidiaries' contribution to total Group deposits, improved to 27% from 23% in December 2016, with Access UK contributing the highest at 17%

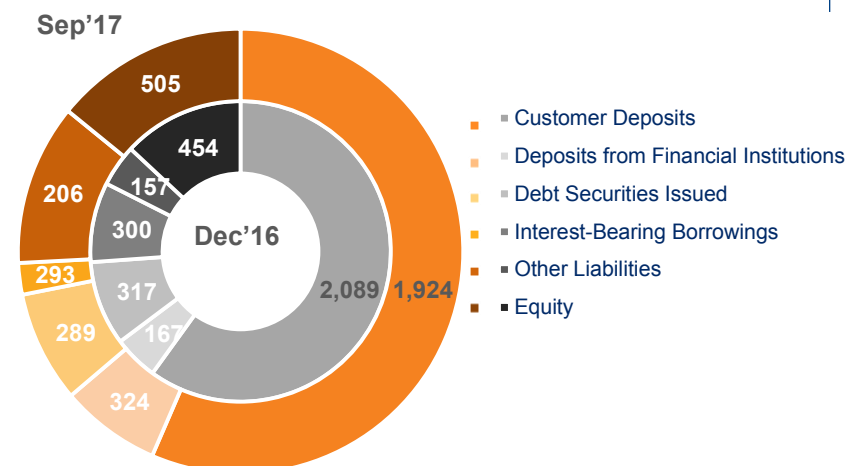
(1) CASA: Current Accounts and Savings Accounts

Capital & Liquidity

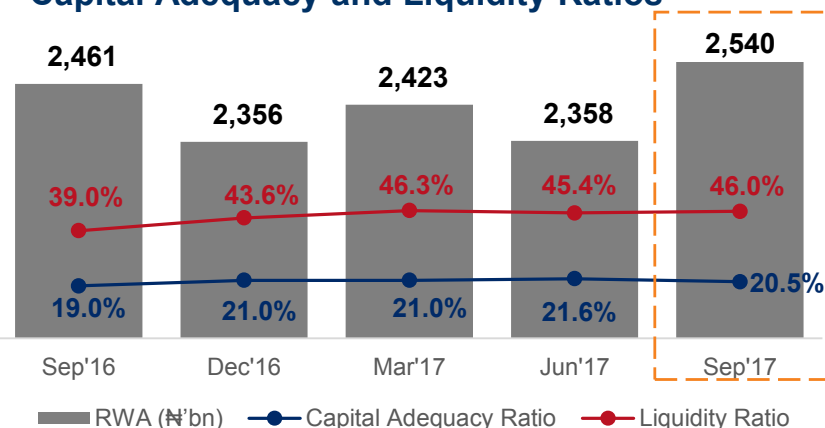
Capital Adequacy Computation – Basel II

Underlying in ₹'m	Sep'17	Dec'16	%Δ
Tier I Capital	390,474	366,913	6
Tier II Capital	130,158	122,292	6
Total Regulatory Capital	520,632	489,206	6
Credit Risk	2,159,957	1,993,726	8
Operational Risk	349,980	320,484	9
Market Risk	30,026	41,358	(27)
Risk-Weighted Assets	2,539,963	2,355,568	8
Capital Adequacy			
Tier I	15.4%	15.6%	
Tier II	5.1%	5.2%	
Total	20.5%	20.8%	

Funding Sources



Capital Adequacy and Liquidity Ratios⁽¹⁾



- Maintained stable capital and liquidity metrics despite persistent macro challenges and liquidity tightening
- Capital Adequacy Ratio (CAR) of 20.5% in Sep'17 (-30bps y/y), demonstrating adequate buffers for growth
- Liquidity Ratio improved 240bps y/y to 46.0% in Sep'17 (Dec'16: 43.6%), in excess of the regulatory minimum

(1) Calculated as Total Liquid Assets (cash and cash equivalents, treasury bills, trading assets and government bonds) divided by Total Deposits

4. Business Segment Review

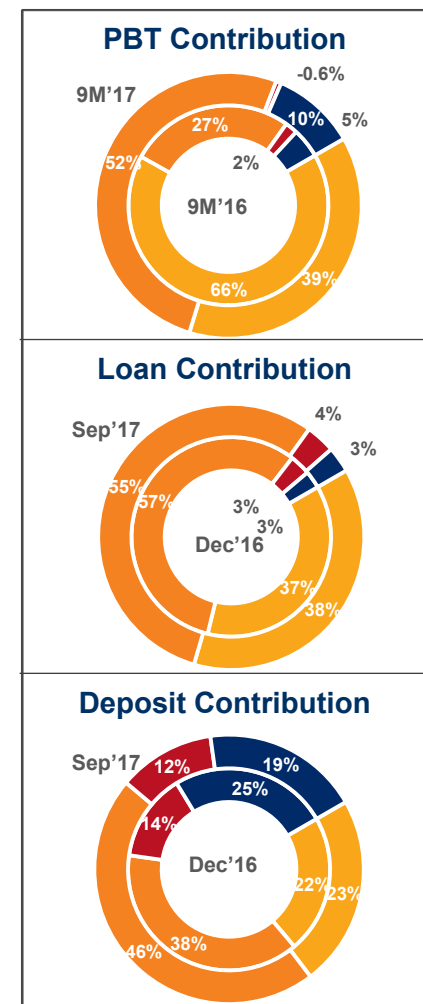
SBU Performance Highlights

	Corporate & Investment Banking	Underlying in ₹'m	Sep'17	Sep'16	%Δ
		Total Revenue	183,301	98,160	87
Profit Before Tax	67,381	28,984	132		
Loans and Advances	660,061	602,800	10		
Customer Deposits	426,303	594,998	(28)		

	Commercial Banking	Underlying in ₹'m	Sep'17	Sep'16	%Δ
		Total Revenue	106,773	104,681	2
Profit Before Tax	27,131	38,913	(30)		
Loans and Advances	1,006,684	1,069,812	(6)		
Customer Deposits	739,132	873,081	(15)		

	Business Banking	Underlying in ₹'m	Sep'17	Sep'16	%Δ
		Total Revenue	25,666	22,783	13
Profit Before Tax	2,047	(478)	538		
Loans and Advances	59,935	68,681	(13)		
Customer Deposits	270,646	223,378	21		

	Personal Banking	Underlying in ₹'m	Sep'17	Sep'16	%Δ
		Total Revenue	49,316	48,844	1
Profit Before Tax	4,863	7,746	(37)		
Loans and Advances	50,396	59,646	(16)		
Customer Deposits	488,005	407,104	20		



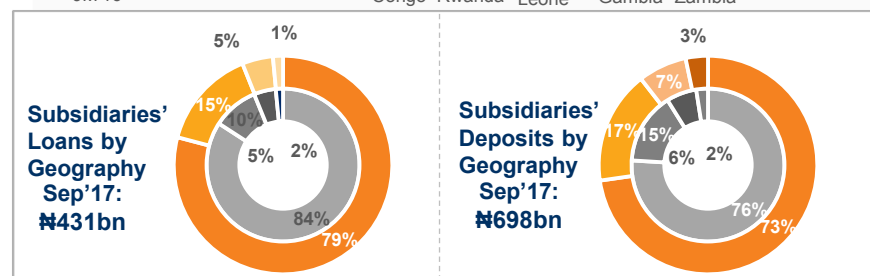
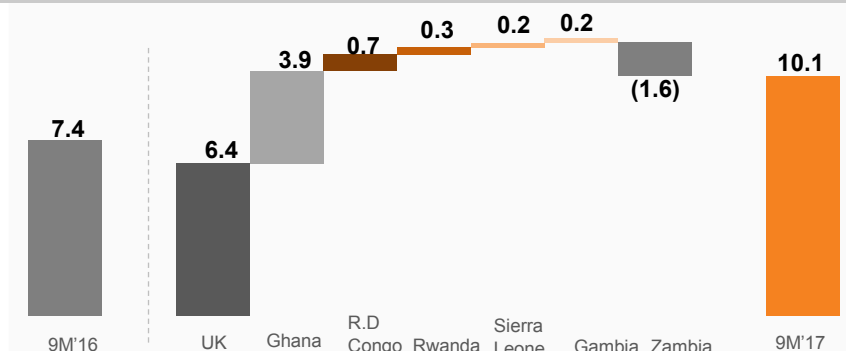
Subsidiary Performance Review

Financial Highlights

Underlying in ₦'million	United Kingdom	Ghana	Rwanda	R. D. Congo	Zambia	Gambia	Sierra Leone
Operating Income	10,591	13,551	2,177	2,961	908	751	718
Profit Before Tax	6,404	3,884	264	681	(1,586)	192	191
Total Assets	505,887	230,674	36,119	27,891	32,023	11,245	5,918
Loans and Advances	306,273	94,458	15,588	9,910	3,962	687	519
Total Deposits	429,102	184,334	29,093	22,210	22,261	7,196	3,660

- Subsidiaries contribution to the group's performance improved in 9M'17, recording total subsidiary profit before tax of ₦10.1bn (+36% y/y) from ₦7.4bn in 9M'16
- Total assets from subsidiaries grew 20% to ₦850bn y/y (9M'16: ₦706bn) driven largely by business operations in UK and Ghana

Profit Before Tax (₦'billion)



6. Q4'17 Outlook

Key Imperatives for Q4'17

Distribution Network

Increase and optimize distribution network, and gain traction on all retail partnerships to boost profitability

Digital and Retail Banking

Continue to improve product and service offerings at lower costs, and leverage our digital initiatives to expand retail market share

Operating Efficiency

Reinforce the implementation of our cost management initiatives to improve the bottom-line

Liability Generation

Continue low cost deposit drive to systematically reduce funding cost and increase account activity levels to enhance transaction banking income

Asset Quality Management

Achieve controlled loan growth within the set guidance, whilst upholding proactive risk management principles in order to maintain asset quality within acceptable limits

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access >>>



tomorrow /noun/

A mystical land where 99% of all human productivity, motivation and achievement is stored.

 **TAKE TOMORROW**