

ACCESS BANK PLC

2015 Half Year Results
Presentation to Investors &
Analysts

August 2015



access >>>

Disclaimer

The information presented herein is based on sources which Access Bank Plc. (the “Bank”) regards dependable. This presentation may contain forward looking statements. These statements concern or may affect future matters, such as the Bank’s economic results, business plans and strategies, and are based upon the current expectations of the directors. They are subject to a number of risks and uncertainties that might cause actual results and events to differ materially from the expectations expressed in or implied by such forward looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, regulatory developments, competitive conditions, technological developments and general economic conditions. The Bank assumes no responsibility to update any of the forward looking statements contained in this presentation.

The information should not be interpreted as advice to customers on the purchase or sale of specific financial instruments. Access Bank Plc. bears no responsibility in any instance for loss which may result from reliance on the information.

Access Bank Plc. holds copyright to the information, unless expressly indicated otherwise or this is self-evident from its nature. Written permission from Access Bank Plc. is required to republish the information on Access Bank or to distribute or copy such information. This shall apply regardless of the purpose for which it is to be republished, copied or distributed. Access Bank Plc.’s customers may, however, retain the information for their private use.

Transactions with financial instruments by their very nature involve high risk. Historical price changes are not necessarily an indication of future price trends. Investors are encouraged to acquire general information from Access Bank Plc. or other expert advisors concerning securities trading, investment issues, taxation etc. in connection with securities transactions.

The information contained in this presentation is subject to, and must be read in conjunction with, all other publicly available information, including, where relevant any fuller disclosure document published by the Bank. Any person at any time acquiring the securities must do so only on the basis of such person’s own judgment as to the merits of the suitability of the securities for its purposes and only on such information as is contained in public information having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained herein. The information is not tailored for any particular investor and does not constitute individual investment advice.

Outline

1

Overview of Access Bank

2

Macroeconomic Context

3

Group Financial Performance Review

4

SBU Performance Review

5

H2'15 Outlook

Overview of Access Bank



At a Glance

Access Bank Plc. is licensed by the Central Bank of Nigeria as an International Bank

7
Banking
Subsidiaries

3,777
Professional
Staff

Credit Rating nga

STANDARD
& POOR'S
RATINGS SERVICES

A

FitchRatings

A-

Agusto & Co

A+

GCR

A+

Channels



364
Branches



1,218
ATMs



8,767
POS
Terminals

Awards & Recognition



2015 Best
Flow House
in Africa



CARD AND ePAYMENT
Africa Awards

2014
Intermarc
Credit Card
Product of
the Year



2015
Institutional
Leadership in
Risk Advocacy
Award



2014/2015
Most Socially
Responsible
Bank in
Nigeria

28.9bn

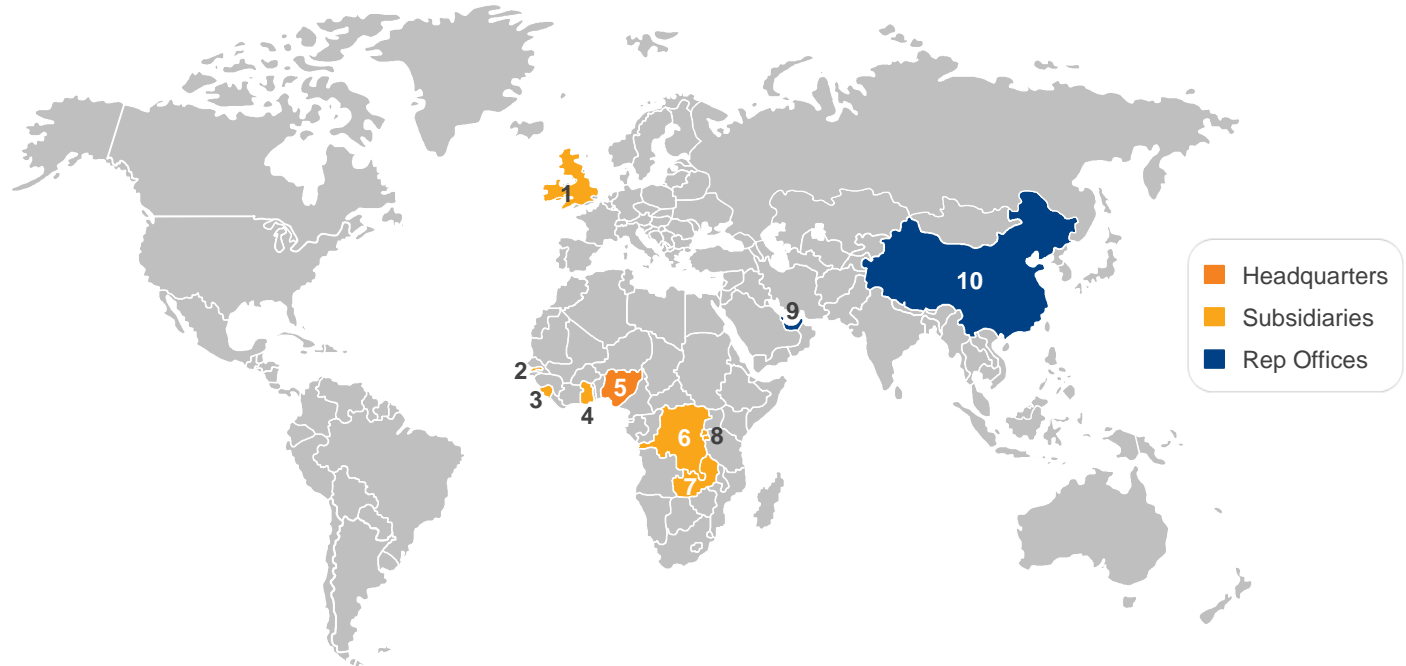
ordinary shares in issue
of 50 kobo each

Listings

Nigerian Stock Exchange
London Stock Exchange
(Eurobond)
Irish Stock Exchange
(Eurobond)

An Integrated Global Bank

Recognized as a leading commercial bank in Nigeria with a distribution network across Sub Saharan Africa and the UK



- Headquarters
- Subsidiaries
- Rep Offices

United Kingdom 1

Ownership Interest:	100%
PBT (₦'bn):	1.1
ROE (%):	9
Equity (₦'bn):	18.8
Branches:	2

The Gambia 2

Ownership Interest:	64%
PBT (₦'m):	228
ROE (%):	20
Equity (₦'bn):	2.2
Branches:	5

Sierra Leone 3

Ownership Interest:	97%
PBT (₦'m):	98
ROE (%):	10
Equity (₦'bn):	1.4
Branches:	4

Ghana 4

Ownership Interest:	92%
PBT (₦'bn):	3.0
ROE (%):	24
Equity (₦'bn):	14.1
Branches:	34

Nigeria 5

Parent Company	
PBT (₦'bn):	39
ROE (%):	22
Equity (₦'bn):	303
Branches:	304

Congo 6

Ownership Interest:	74%
PBT (₦'m):	196
ROE (%):	8
Equity (₦'bn):	3.3
Branches:	2

Zambia 7

Ownership Interest:	92%
PBT (₦'m):	16
ROE (%):	-3
Equity (₦'bn):	2.8
Branches:	5

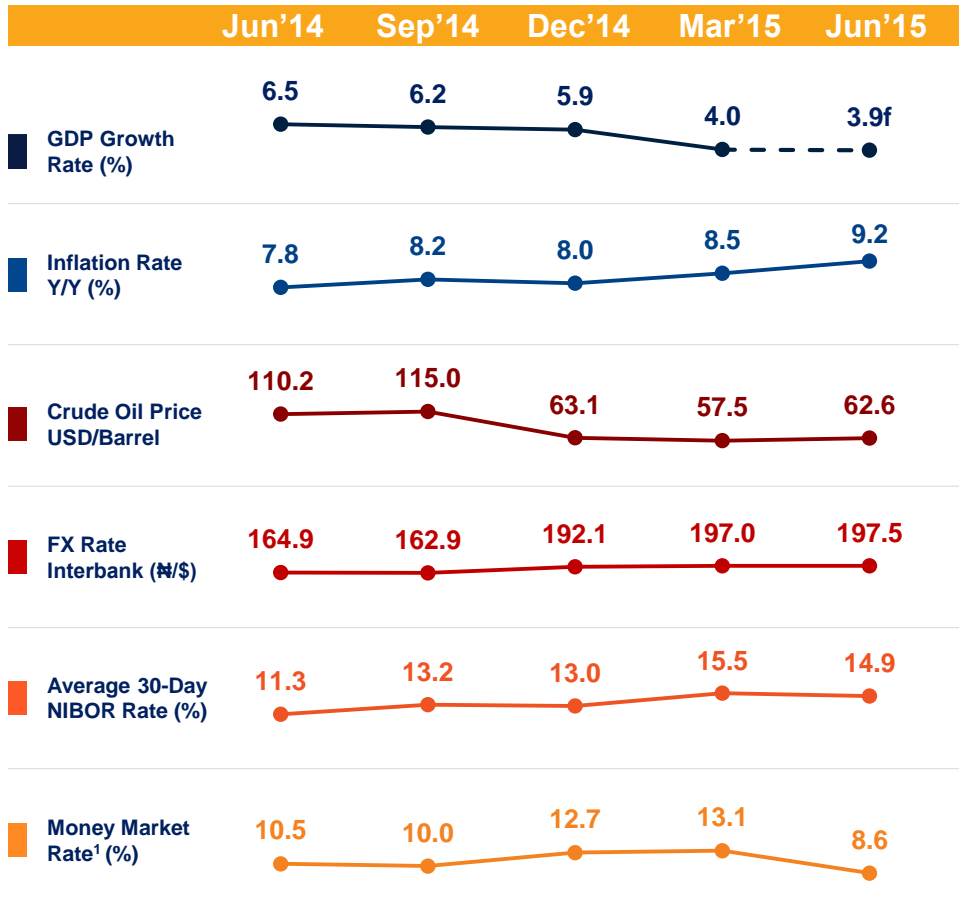
Rwanda 8

Ownership Interest:	75%
PBT (₦'m):	103
ROE (%):	5
Equity (₦'bn):	2.5
Branches:	7

Macroeconomic Context



Domestic Operating Environment



1. Call rate was used as an indicator for the Money Market Rate
 Source: CBN, Nigerian Bureau of Statistics (NBS), Financial Derivatives, BMI, Vetiva Research

The Nigerian Economy

- GDP growth dropped to 4.0% in Q1'15 owing to a decline in economic activities on the back of lower oil prices and decreasing government revenues
- Continued uptrend in inflation for the seventh consecutive month since Dec'14 to 9.2% in Jun'15 driven by spikes in core and food inflation to 8.4% y/y and 10% y/y, respectively
- Bonny Light price averaged \$62.6pb in Jun'15. Sustained low oil prices have triggered a 19% decline in Nigeria's external reserves to \$29bn in Q2'15 (Q4'14: \$34.5bn)
- FX rate differential widened largely due to speculative pressures on further currency devaluation

Banking Regulatory Highlights

- Harmonization of the CRR on private and public sector funds to 31% in May 2015
- Exclusion of 41 import items from access to the FX market so as to encourage local production and reduce pressure on the exchange rate
- Implementation of Treasury Single Account (TSA) across Federal Ministries, Departments and Agencies (MDAs)
- Downward revision of spending limits on the use of Naira-denominated cards for international transactions from \$150,000 to \$50,000 per card per annum

Group Financial Performance Review



Key Messages



Gross Earnings

₦168bn

H1'14: ₦118bn

Strong Earnings Growth

- 43% y/y increase in gross earnings largely driven by a 102% y/y growth in non-interest income to ₦69.5bn in H1'15 (H1'14: ₦34.6bn)



Profit Before Tax

₦39bn

H1'14: ₦27bn

Improved Profits

- 44% y/y growth in PBT mainly resulting from strong contribution of non-interest income



Customer Deposits

₦1.64trn

Dec'14: ₦1.45trn

Focused Deposit Mobilization

- 13% ytd growth in customer deposits, reflecting improved value chain penetration across the Bank's Strategic Business Units (SBUs)



Cost-to-Income

59.2%

H1'14: 63.1%

Enhanced Cost Efficiency

- 390bps y/y decline in the Bank's cost-to-income ratio largely resulting from a significant boost in revenue

Group Financial Highlights

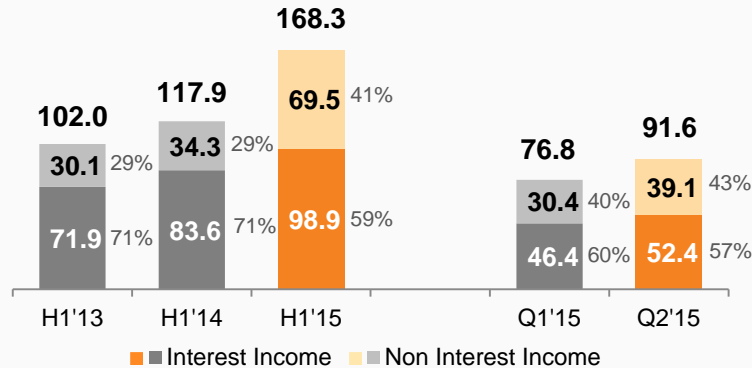
		H1'15	H1'14	Δ	
1	Profitability	Gross Earnings (₦'m)	168,340	117,918	43%
		Operating Income (₦'m)	117,641	83,084	42%
		Impairment Charges (₦'m)	(8,887)	(3,506)	153%
		PBT (₦'m)	39,113	27,118	44%
		EPS (₦)	1.35	0.99	36%
		Cost to Income (%)	59.2	63.1	(3.9)

		Jun'15	Dec'14	Δ	
2	Balance Sheet	Loans and Advances (₦'bn)	1,280	1,123	14%
		Total Assets (₦'bn)	2,392	2,104	14%
		Customer Deposits (₦'bn)	1,639	1,454	13%
		Shareholders' Fund (₦'bn)	303	277	9%

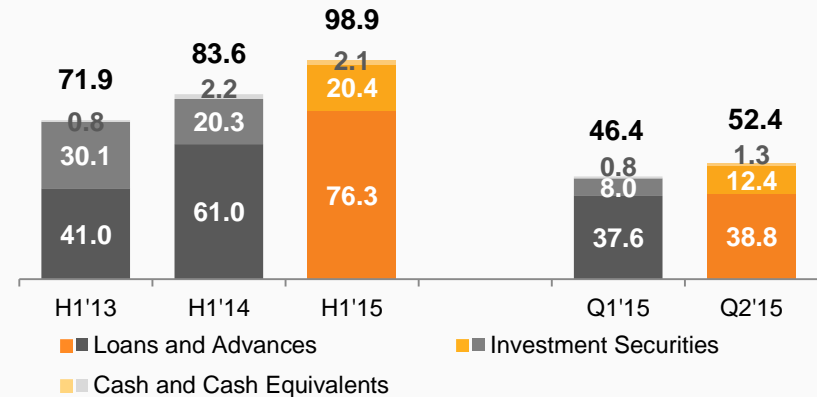
		H1'15	FY'14	Δ	
3	Prudential & Performance Ratios	After-Tax ROAE (%)	21.6	16.5	5.1
		Capital Adequacy (%)	19.0	18.4	0.6
		Liquidity (%)	37.1	36.0	1.1
		Loans to Deposit (%)	72.8	71.4	1.4

Revenue

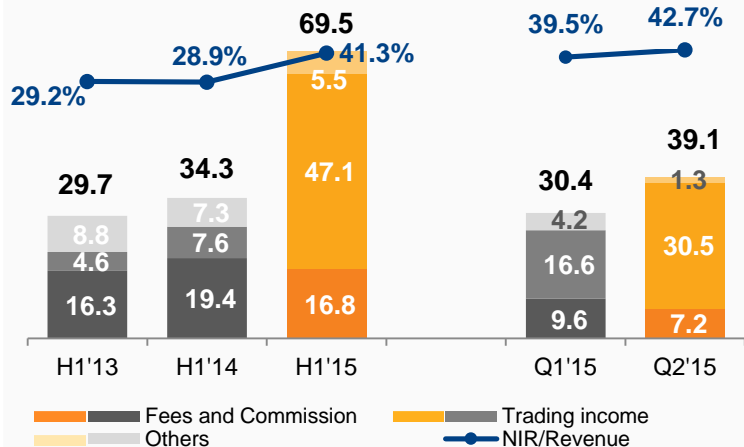
Gross Earnings y/y (₦'bn)



Interest Income (₦'bn)



Non-Interest Income (₦'bn)

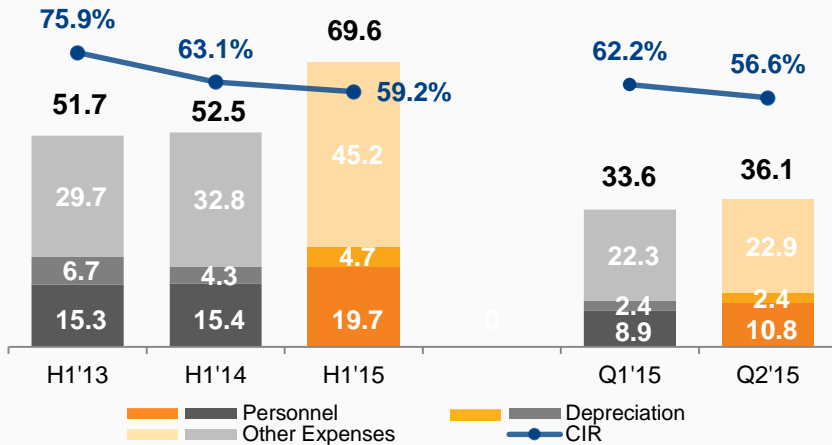


Highlights

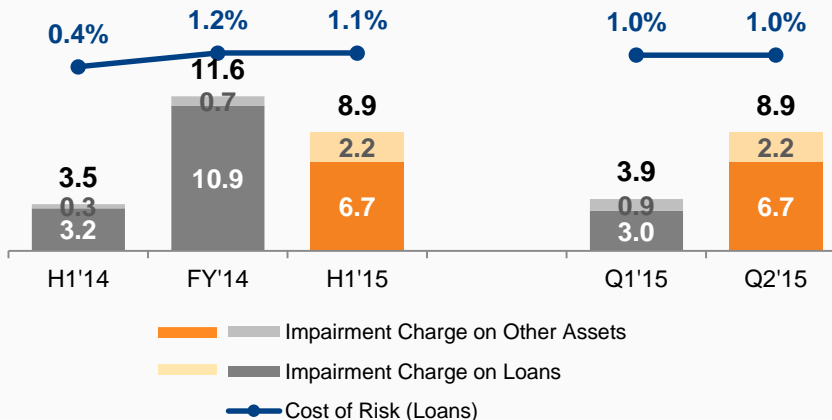
- Gross earnings grew by 43% y/y to ₦168.3bn in H1'15 (H1'14: ₦117.9bn) largely driven by a sizeable increase in trading income due to an improved securities and derivatives trading portfolio
- 25% y/y increase in income from loans and advances to ₦76.3bn (H1'14: ₦61.0bn) driven by 14% ytd growth in the Bank's loan book
- Non-interest income increased by 102% y/y to ₦69.5bn in H1'15 (H1'14: ₦34.3bn) and by 29% q/q to ₦39.1bn in Q2'15 (Q1'15: ₦30.4bn)
- Key drivers:
 - 45% y/y increase in foreign exchange income to ₦7.9bn (H1'14: ₦5.5bn)
 - Strong gains in securities and derivatives trading, which accounted for 83% of the Bank's trading income in H1'15

Operating Expenses & Impairment Charges

Operating Expenses (₺'bn)



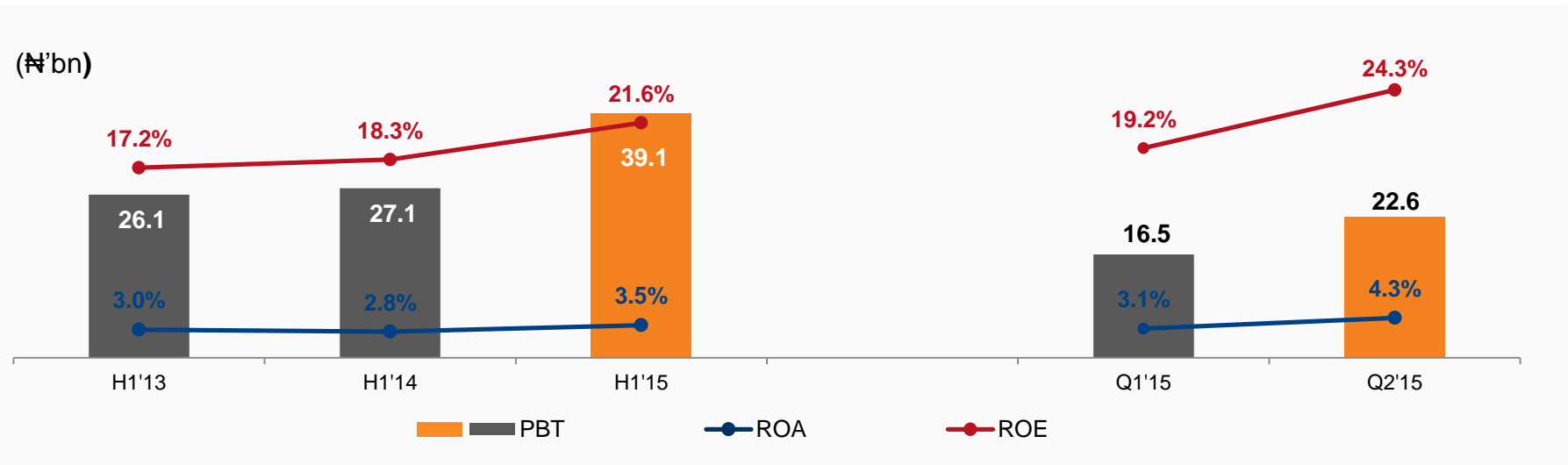
Impairment Charges (₺'bn)



Highlights

- Operating expenses grew by 33% y/y to ₺69.6bn (H1'14: ₺52.5bn), and by 7% q/q to ₺36.1bn in Q2'15 (Q1'15: ₺33.6bn)
- Key drivers:
 - Growth in staff strength to boost retail market penetration, resulting in a 28% y/y rise in personnel expenses to ₺19.7bn (H1'14: ₺15.4bn)
 - Investment in brand equity development, particularly in the retail segment, through increased marketing activities and advert placements
 - Upgrade of IT solutions to improve mobility, efficiency and collaboration within the workplace
- Cost-to-Income Ratio (CIR) improved to 59.2% in H1'15 (H1'14: 63.1%), and to 56.6% in Q2'15 (Q1'15: 62.2%), benefitting largely from strong growth in operating income
- Total impairment charges stood at ₺8.9bn in H1'15 (H1'14: ₺3.5bn)
- Rise in credit impairment charges was largely due to the adoption of a stricter methodology in charging collective allowances
- Cost of risk declined by 10bps ytd to 1.1% in H1'15 (FY'14: 1.2%) and remained flat at 1.0% in the first two quarters of the year

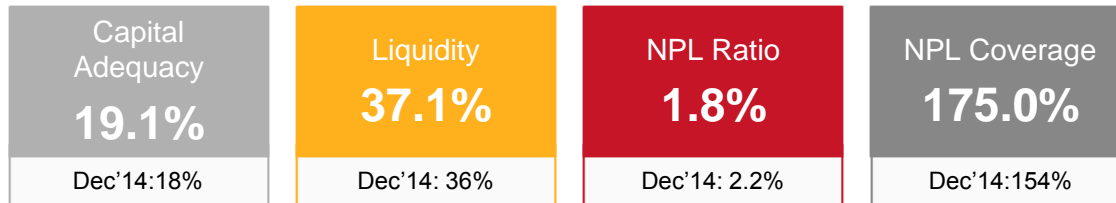
Profitability



Highlights

- PBT increased by 44% y/y to ₦39.1bn in H1'15 (H1'14: ₦27.1bn) and 37% q/q to ₦22.6bn in Q2'15 (Q1'15: ₦16.5bn)
- Key drivers:
 - 25% y/y increase in interest income from loans and advances to ₦76.3bn (H1'14: ₦61.0bn)
 - 102% y/y increase in non-interest income owing largely to strong gains from derivatives and trading activities with various counterparties
- ROA improved by 70 bps y/y to 3.5% in H1'15 (H1'14: 2.8%) and 120bps q/q to 4.3% in Q2'15 (Q1'15: 3.1%) largely resulting from a 36% y/y rise in net profit to ₦31.3bn (H1'14: ₦22.6bn)
- ROE grew to 21.6% in H1'15 (H1'14: 18.3%), and to 24.3% in Q2'15 (Q1'15: 19.2%)

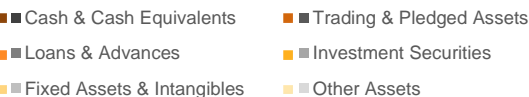
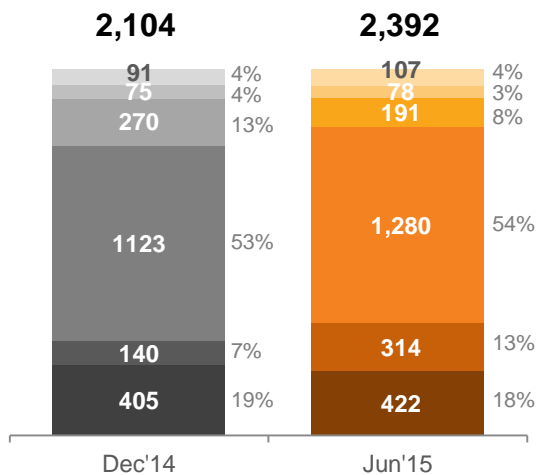
Balance Sheet Snapshot



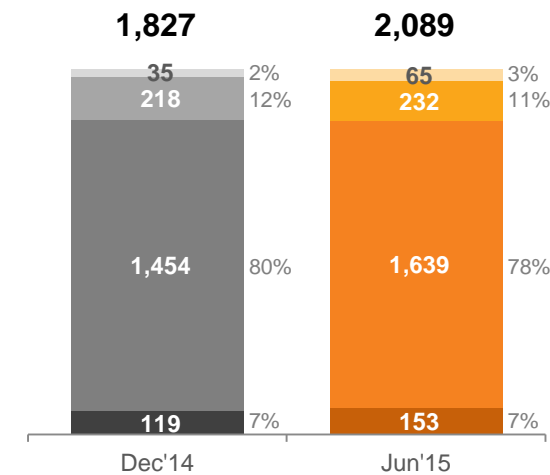
Highlights

- ▶ Total assets grew to ₦2.4trn in the period (Dec'14: ₦2.1trn) largely driven by increased investments in high-yield government securities
- ▶ Loans and advances increased by 14% ytd to ₦1.3trn in Jun'15 (Dec'14: ₦1.1 trn)
- ▶ Customer deposits increased by 13% to ₦1.64trn in Jun'15 from ₦1.45trn in Dec'14, reflecting continued implementation of the Bank's customer engagement strategy
- ▶ Trading and pledged assets grew by 123% ytd to ₦314bn in Jun'15 (Dec'14: ₦140bn) on the back of sizeable growth in investments in high-yielding government bonds and treasury bills

Total Assets (₦'bn)

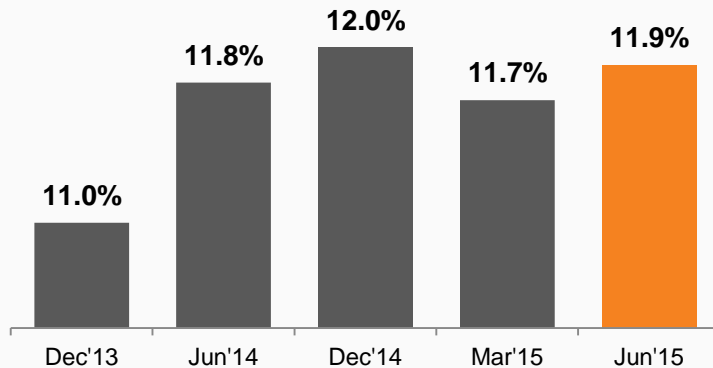


Total Liabilities (₦'bn)

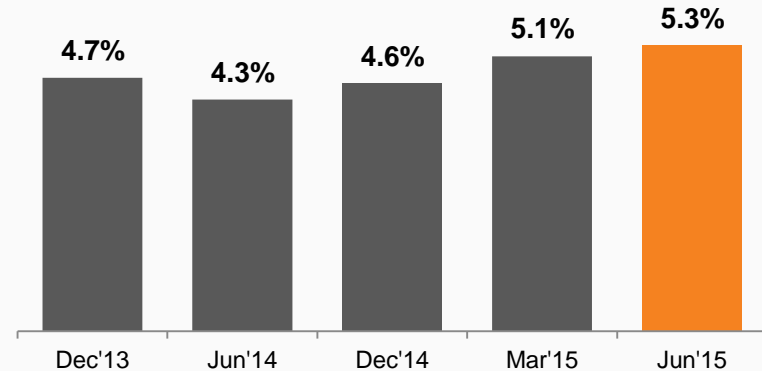


Margin Analysis

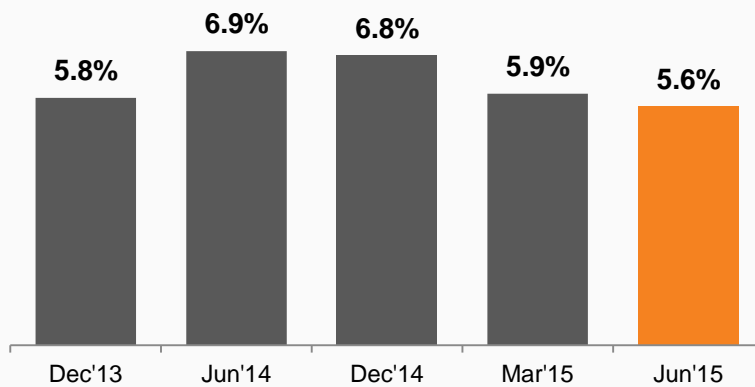
Yield on Assets



Cost of Funds



Net Interest Margin

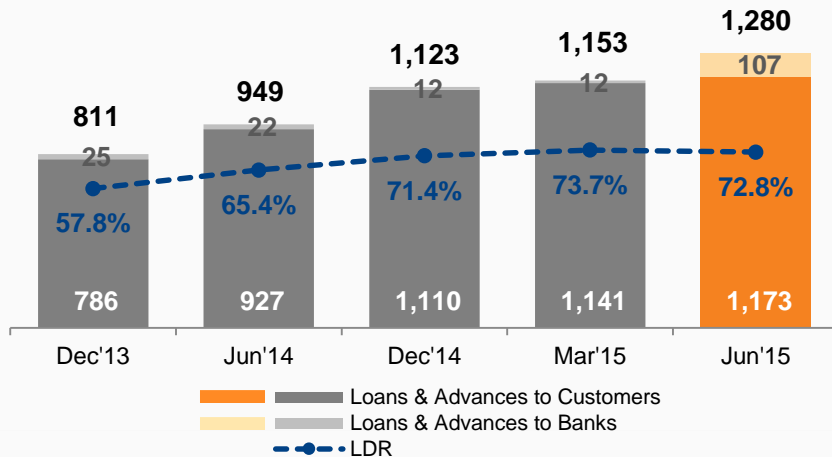


Highlights

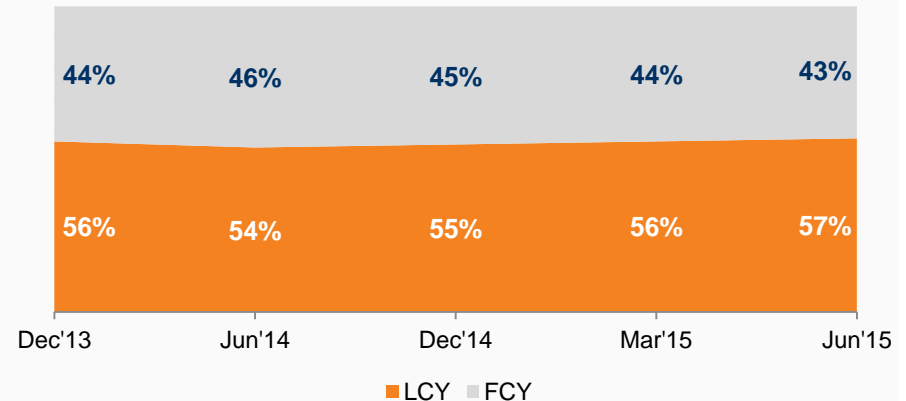
- Yield on Assets (YOA) increased by 20bps q/q from 11.7% in Mar'15 to 11.9% in Jun'15 largely resulting from the re-pricing of the Bank's risk assets
- Cost of Funds (CoF) increased by 70bps from 4.6% in Dec'14 to 5.3% in Jun'15
- Relatively high cost of funds recorded in the period was largely due to the additional \$400m Eurobond and a tighter regulatory environment on account of higher interest rates on deposits and harmonization of the CRR to 31%
- Net Interest Margin (NIM) declined to 5.6% in Jun'15, reflecting the negative impact of increasing funding costs

Asset Quality

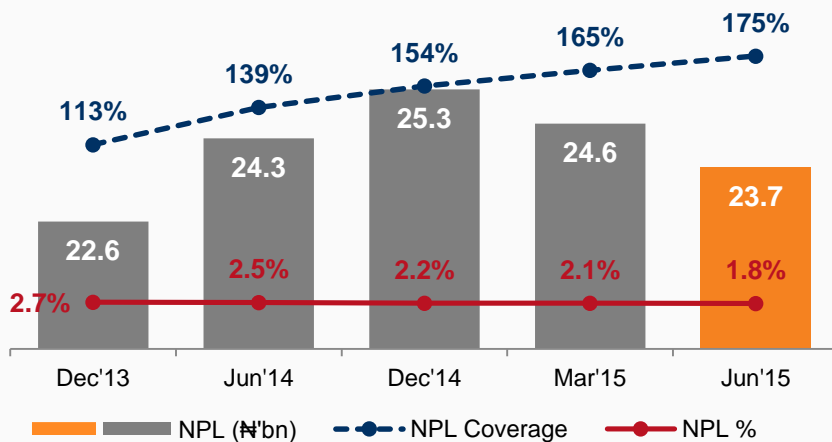
Loans & Advances (₦'bn)



Loan Analysis by Currency



Asset Quality (₦'bn)

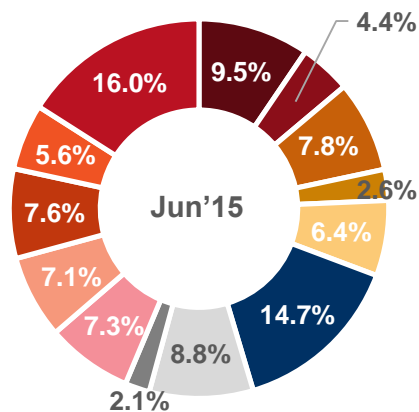


Highlights

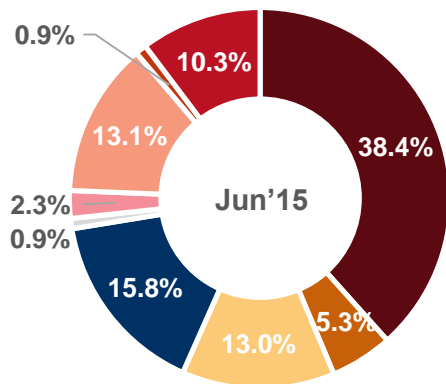
- The Bank sustained risk-conscious loan growth of 14% ytd (Jun'15: ₦1.3trn) despite macro instability, regulatory headwinds and political uncertainty witnessed during the first half of the year. (6% of loan growth in the period was attributable to corporate and retail customers)
- Gross NPLs reduced by 7% ytd to ₦23.7bn in Jun'15 (Dec'14: ₦25.3bn) largely owing to the continued execution of the Bank's remediation strategy
- NPL ratio improved to 1.8% in Jun'15 (Dec'14: 2.2%) as a result of direct close monitoring of the loan book and increase in the loan portfolio, with emphasis on quality obligors
- These improvements underscore the impact of the Bank's continued and effective implementation of its risk management policies in a bid to achieve an optimal loan portfolio

Asset Diversification & Quality

Loan Distribution by Sector



NPL Distribution by Sector



Sector	Loans		NPL	
	Jun'15	Dec'14	Jun'15	Dec'14
Oil & Gas – Downstream	9.5%	11.3%	38.4%	35.1%
Oil & Gas – Upstream	4.4%	5.6%	-	-
Oil & Gas – Services	7.8%	7.9%	5.3%	4.3%
Refinery	2.6%	2.3%	-	-
Other Manufacturing	6.4%	6.7%	13.0%	1.6%
Gen. Commerce	14.7%	15.1%	15.8%	18.0%
Info. & Com.	8.8%	9.9%	0.9%	27.5%
Government	2.1%	4.9%	-	-
Real Estate	7.3%	5.9%	2.3%	0.9%
Construction	7.1%	5.8%	13.1%	3.3%
Transportation	7.6%	4.2%	0.9%	1.1%
Steel	5.6%	5.9%	-	-
Others ¹	16.0%	14.5%	10.3%	8.2%

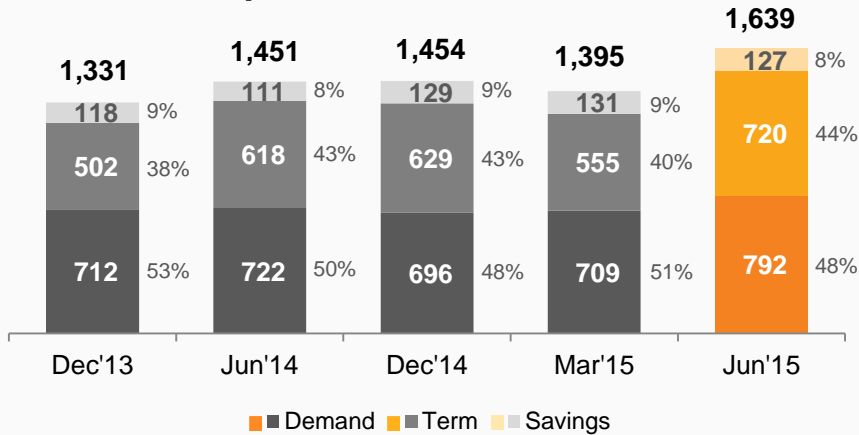
Highlights

- The Bank's risk asset portfolio remains well diversified, as it continued to reduce its exposure to the Oil and Gas sector
- Growth in risk assets was recorded in the Real and Services sectors, namely Transportation, Real Estate and Construction, and is well within the Bank's approved risk asset growth target for 2015
- Improvement recorded in the Info & Com. sector largely resulted from enhanced remediation in the sector
- Guided by our robust risk management framework, we remain committed to efficiently de-risking our loan portfolio through enhanced monitoring of facility performance

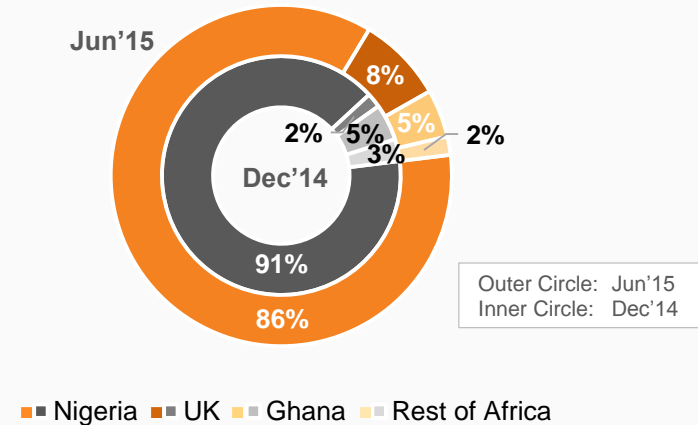
1. Included in others are: Capital Market, Agriculture, Education, Food Manufacturing, etc.

Deposit Mix

Customer Deposits (N'bn)



Deposits by Region



Highlights

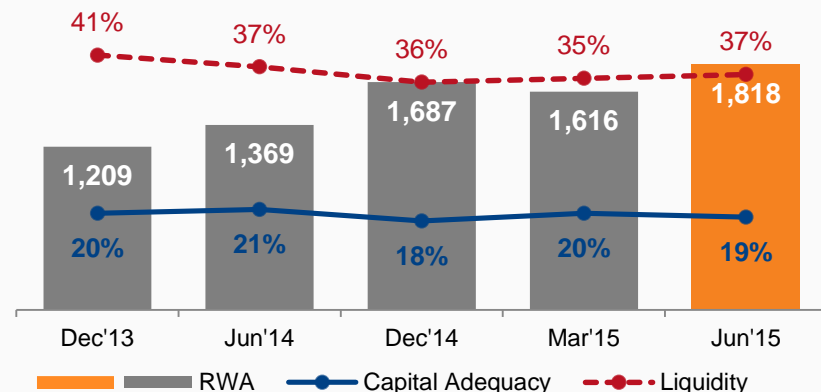
- Customer deposits grew by 13% ytd to N1.6trn in Jun'15 from N1.5trn in Dec'14 on account of the continued effective execution of its customer engagement strategy and deposit mobilization initiatives
- In Jun'15, low-cost deposits (i.e., current/demand and savings – CASA) accounted for 56% of total deposits, while term deposits constituted 44% of total deposits
- CASA balances grew by 11% ytd to a total of N919bn in Jun'15 (Dec'14: N825bn) largely due to improved value chain penetration across the Bank's Strategic Business Units (SBUs)
- Access UK recorded a 600bps ytd improvement in its contribution to the Group's deposit base, accounting for 8% of total deposits in Jun'15 (Dec'14: 2%)
- We will continue to actively implement value chain and customer engagement initiatives for continued deposit growth, particularly low-cost deposits, in order to drive down our cost of funds and loans-to-deposit ratio

Capital & Liquidity

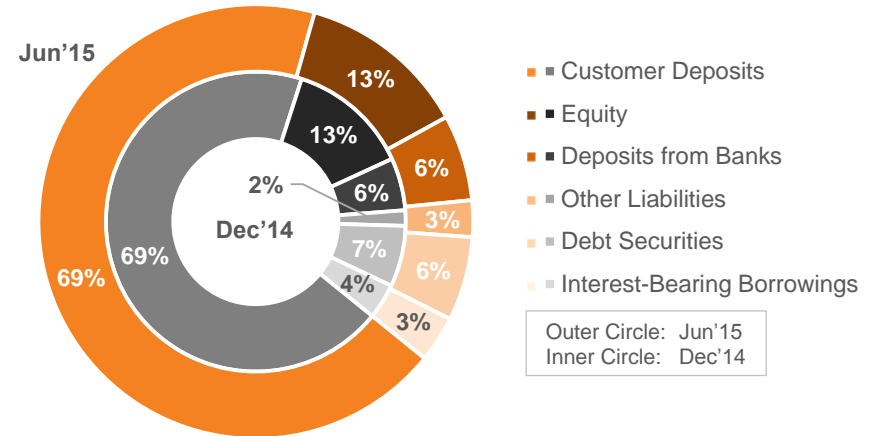
Capital Adequacy Computation – Basel II

	Group	
	Jun'15	Dec'14
In N'm		
Tier I Capital	264,029	233,265
Tier II Capital	83,148	73,319
Total Regulatory Capital	347,177	306,584
Credit Risk	1,562,444	1,400,755
Operational Risk	231,622	264,335
Market Risk	23,864	21,890
Risk-Weighted Assets	1,817,930	1,686,980
Capital Adequacy		
Tier I	14.5%	13.8%
Tier II	4.6%	4.3%
Total	19.1%	18.1%

Risk-Weighted Assets (N'bn)



Sources of Funding



Highlights

- Capital Adequacy Ratio (CAR) stood at 19% in Jun'15, remaining well above regulatory requirement of 15% for SIBs
- The Group successfully raised N41.8bn through its recently concluded Rights Issue
- Post Rights-Issue, CAR is expected to close at 22% by year-end 2015
- Liquidity ratio grew to 37% in Jun'15 (Dec'14: 36%) and increased by 200bps q/q (Mar'15: 35%)

SBU Performance Review



Business Segmentation

Wholesale



Corporate & Investment Banking

nearly 600 customers

Segment Focus

- ◆ Multinational, well-structured large companies with annual turnover exceeding ₦10 billion
- ◆ Segments include:
 - Cement & Construction
 - Telecommunications
 - Manufacturing
 - Upstream Oil & Gas
 - Downstream Oil & Gas
 - Transportation
 - Agriculture
 - Financial Institutions



Commercial Banking Division

over 170,000 customers

Segment Focus

- ◆ Incorporated companies with an annual turnover greater than ₦1 billion, but less than ₦10 billion
- ◆ Customer segments include:
 - Federal, State & Local Government MDAs
 - Corporate & Investment Banking Value Chain
 - Asian Corporates
 - Local Corporates

Retail



Business Banking Division

more than 300,000 customers

Segment Focus

- ◆ Companies, Small and Medium Enterprises with annual turnover less than ₦1 billion
- ◆ Products are tailored to cater to small and other types of less structured businesses



Personal Banking Division

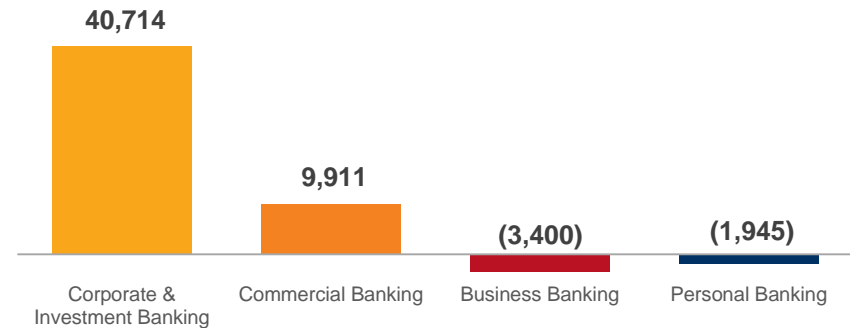
about 6.3 million customers

Segment Focus

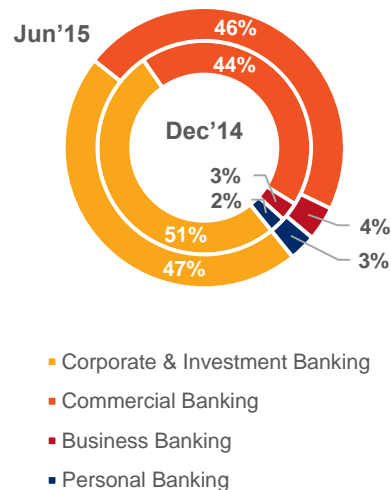
- ◆ The Division caters to the following classes of individuals:
 - Ultra High-Net-Worth Individuals (UHNIs)
 - High-Net-Worth Individuals (HNIs)
 - Affluent Professionals
 - Employees in the Value Chain
 - Students
 - Pensioners
 - Informal Traders

H1'15 SBU Performance Summary

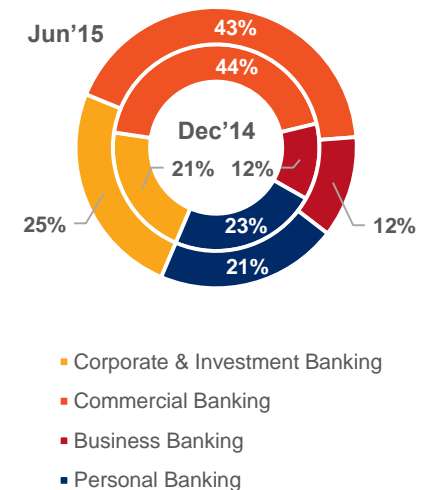
Profit Before Tax (₦'m)



Loans Contribution



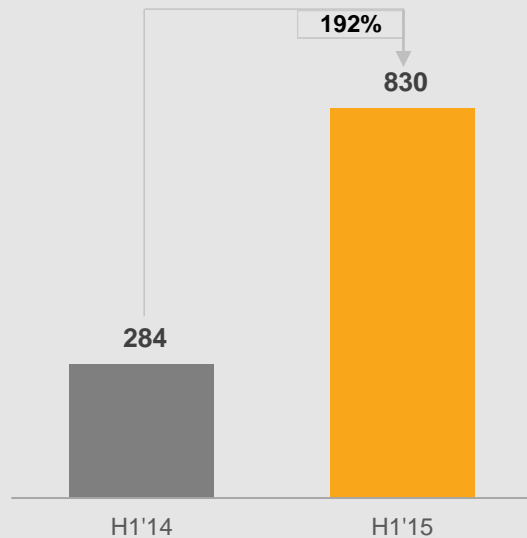
Deposits Contribution



Corporate & Investment Banking

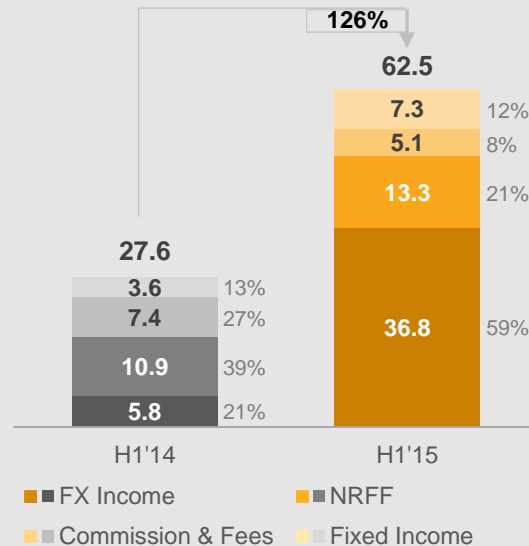
Diversified business portfolio delivering strong and consistent returns

Collections (₦'bn)



- ◆ 192% y/y growth in collections to ₦830bn (H1'14: ₦284bn) owing largely to a 270% y/y increase in collections from the Cement and Flour Sector (H1'15: ₦181bn vs. H1'14: ₦67bn)
- ◆ The Division also recorded sizeable growth in collections from the FMCG and Telecoms sectors, reflecting improved value chain penetration

Revenue (₦'bn)



- ◆ 534% y/y increase in FX income to ₦36.8bn in H1'15 (H1'14: ₦5.8bn) driven by strong performance recorded in the Division's securities and derivatives trading portfolio
- ◆ 31% y/y decline to ₦5.1bn in H1'15 (H1'14: ₦7.4bn) in commission and fees, largely resulting from muted loan growth in the segment in H1'15

H2'15 Outlook

Increased Account Sign-On & Market Share Acquisition:

- Accelerate account sign-on through value chain marketing of IOC contractors and vendors with significant liability potential

Growth in Collections:

- Upgrade existing technology and leverage distributor credit schemes to sustain continued growth in collections

Value Chain Optimization:

- Enhance yield on Corporate Accounts by channeling flows to promote cross selling opportunities

Continued Sector Trading & Foreign Exchange:

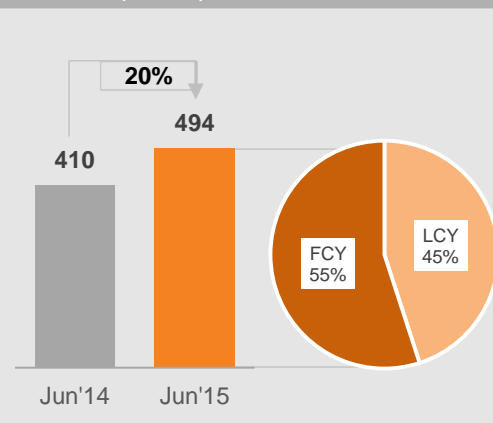
- Grow and optimize trading portfolio
- Drive FX Volumes from existing customers

Commercial Banking

Sustained revenue growth through increase in lending and an enhanced Asian business

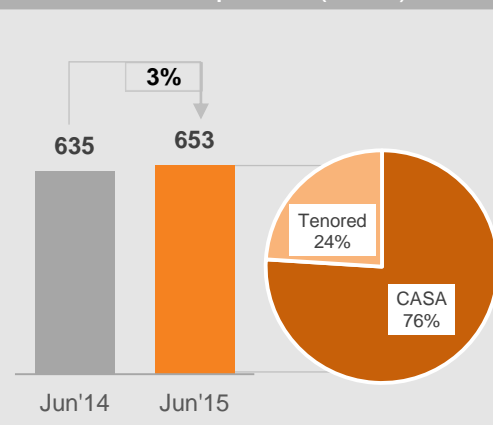
Loans (₦'bn)

20% y/y loan growth resulting from strong performance of the East and Lagos businesses, which contributed a combined total of 81% to the Division's loan portfolio in Jun'15



Customer Deposits (₦'bn)

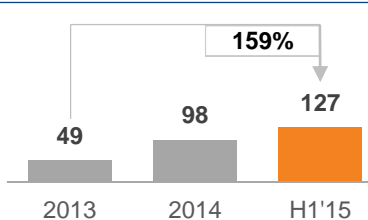
Muted growth of 3% y/y in deposits owing largely to sizeable outflow from public sector customers due to political uncertainty during the first half of the year



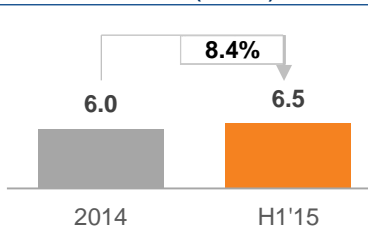
Strong Asian business, with increased focus on the Chinese Business Segment

Snapshot of Chinese Business

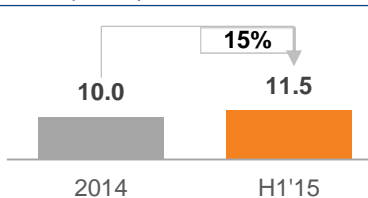
Number of Customers



Risk Assets (₦'bn)



FX (\$'bn)



H2'15 Outlook

Advanced Asian Business:

- Boost market share of Asian Corporates through enhanced customer engagement
- Grow core expertise in the Chinese Business Segment
- Enhance collaboration with Business Banking to develop new products and solutions tailored to the needs of our Asian Corporates (e.g. Access FLOWS, China Trade Payment)

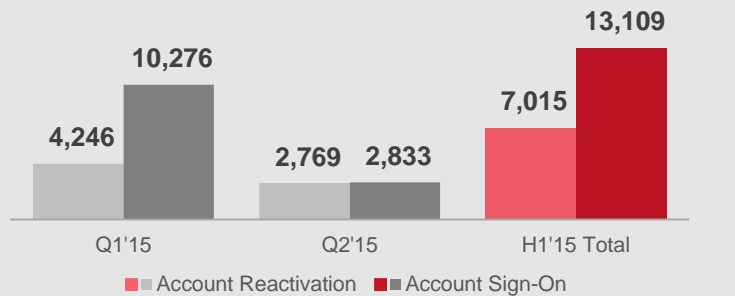
Growth in Collections:

- Leverage technology to grow market share in IGR collections
- Deliver innovative treasury/global trade products and solutions to grow trade-related deposits

Business Banking (1)

Progressive growth in the SME business driven by product innovation and enhanced value chain banking

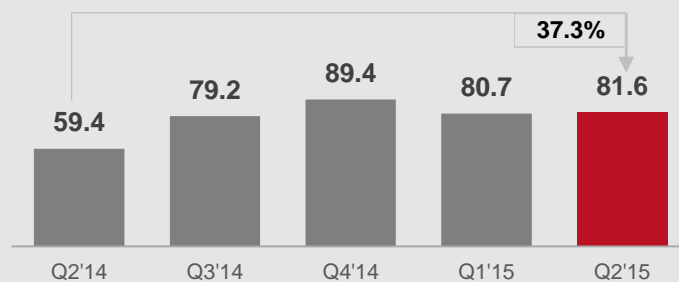
Account Sign-On & Reactivation (YTD)



Account Sign-On & Reactivation Drive:

- > The Division reactivated a total of 7,015 dormant accounts in H1'15, resulting in a decline in dormancy levels to 42% in Jun'15 (Dec'14: 47%)
- > Strong account sign-on performance in H1'15, with over 13,000 new SME relationships

Trade Volumes (\$'m)



Growth in International Trade Transactions:

- > Increased focus on international trade transactions which led to a 37.3% y/y growth in trade volumes to \$81.6m (¥16.3bn) in Q2'15 from \$59.4m (¥11.9bn) in Q2'14

POS Collections (¥'m)

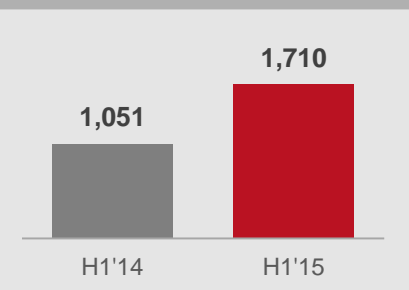


POS Collections on the Rise:

- > 86.6% ytd growth in POS collections reflecting the positive impact of the continued execution of the segment's e-channels collections drive

Business Banking (2)

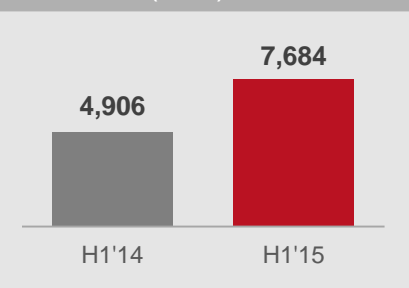
Fees & Commission (₦'m)



62.7% y/y increase

in fees and commission income to ₦1.7bn in H1'15, of which 40% was largely attributed to fee income from disbursed facilities

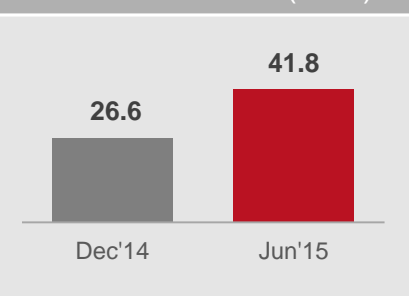
Revenue (₦'m)



56.6% y/y growth

in revenue to ₦7.7bn in H1'15, with 76% contribution from net interest income on the back of improved asset yield, cost of funds and loan growth

Loans & Advances (₦'bn)



57.1% ytd increase

in loans and advances to ₦42bn largely driven by deepened SME market penetration and new product offerings, such as China Trade Payment Loans

y/y improvement in key financial ratios

Y O A	H1'15:	N P L	H1'15:	C O F	H1'15:
	23.5%		1.3%		5.5%
	H1'14: 20.9%		H1'14: 10.5%		H1'14: 5.8%

H2'15 Outlook

Enhanced Support to SMEs:

- Expand market reach through continued use of intervention funds from the CBN, ADB and BOI to meet the credit needs of both existing and new customers
- Drive sign-on to Access FLOWS by existing and new customers, to facilitate access to transparent, simpler and efficient trade financing and logistics

Improved Collections:

- Accelerate execution of POS strategy in order to attain industry leadership in POS collections
- Drive improved collections from vendors and borrowing customers

Growth in Fees and Commission Income:

- Boost transaction income through increased utilization of our enhanced product portfolio by our customers (e.g. China Trade Payment and salary administration)

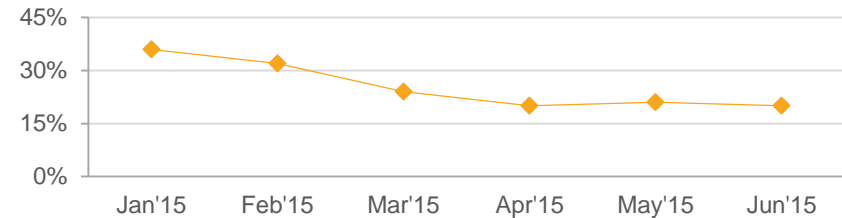
Personal Banking (1)

Resilient retail banking business in spite of tight domestic operating environment

Improved account dormancy levels

- ▶ Reactivated 500,000 dormant accounts leading to a sharp decline in dormancy levels to 20% in Jun'15 from 36% in Jan'15
- ▶ Decline reflects effective ongoing execution of the Bank's account reactivation strategy

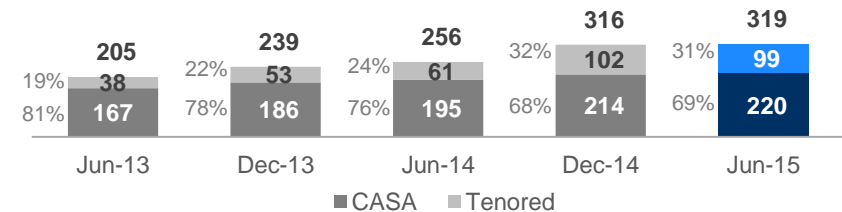
Dormancy Level (%)



Accelerated move to a healthier deposit mix

- ▶ Progressive growth in customer deposits from Jun'13 till date (Jun 15: ₦319bn) largely due to improved customer engagement, which was driven by increased staff complement
- ▶ Growth in low-cost deposits and reduction in expensive deposits led to an enhanced deposit mix

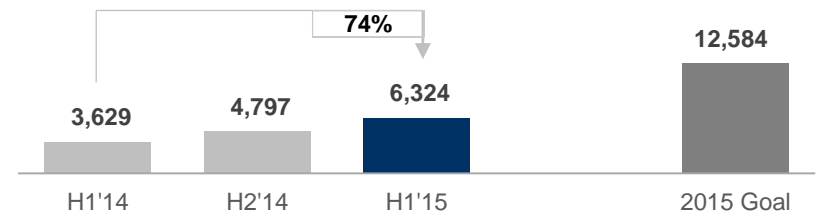
Deposit Mix (₦'bn)



Strong growth in fees and commission income

- ▶ Continued migration of customers to e-channels
- ▶ Increased utilization of the Bank's alternative retail channels by customers
- ▶ On track to meet non-interest income target by year-end 2015

Fees & Commission Income (₦'m)



Personal Banking (2)

Retail Channels Usage

Increasing adoption of the Bank's e-channels by customers



Increase in AccessMoney subscribers from 195,000 in Dec'14 to 1.5 million customers as at Jun'15



34% y/y growth in ATM transaction volumes from 23 million to 31 million transactions as at Jun'15 largely due to improved uptime



Monthly average **POS collections grew by 22%** from ~~¥~~3.3bn in Jan'15 to ~~¥~~4.0bn in Jun'15



Volume of transactions on Mobile Banking increased from 1.9 million in Dec'14 to 2.4 million in Jun'15

H2'15 Outlook

Enhanced Customer Engagement:

- Aggressively expand the Bank's retail footprint by driving focused customer engagement and low-cost deposit mobilization in H2'15

Differentiated Product Offerings:

- Expand product offering to include liability products tailored to the needs of the Division's Private Banking clients

Channels Optimization:






- Migrate 700,000 customers to the Bank's alternative retail channels
- Improve efficiency, stability and ease of use of the AccessMoney platform
- Introduce effective customer loyalty/rewards program for using the Bank's cards to induce spending habit of customers

H2'15 Outlook



2015 Targets: Mid-Point Review

 Committed to delivering on our 2015 growth objectives despite continued market instability and a tighter regulatory environment

Metrics	H1'15	2015 Targets	Status	Key Messages
ROE	21.6%	18.0%		<ul style="list-style-type: none"> On track to meet ROE target for the year ROE is expected to be diluted following the Tier I capital raise in H1'15
NIM	5.6%	7.0%		<ul style="list-style-type: none"> Continued margin pressures may result in muted NIM growth in 2015 Continued loan growth and improved yields will boost NIM in H2'15
CIR	59.2%	60.0%		<ul style="list-style-type: none"> CIR will be maintained at $\leq 60\%$ in H2'15 driven by revenue growth and the continued implementation of structural cost reduction initiatives
Loan Growth	14.0%	10.0%		<ul style="list-style-type: none"> On course to meet target growth of 10% Controlled and risk-conscious growth in loan book will continue in H2'15, with emphasis on quality obligors
Deposit Growth	12.7%	15.0%		<ul style="list-style-type: none"> On track to meet 2015 deposit growth target, driven by increased value chain penetration and effective customer engagement initiatives

H2'15 Outlook



Stronger business with exciting growth prospects and clear action plans to generate sustainable economic returns, while maximizing shareholder value

1 Improve Service Delivery

- Re-engineer existing service standards to meet customer expectations across all distribution channels
- Deploy increasingly sophisticated and personalized customer service and experience, while effectively managing associated costs

2 Enhance Retail & SME Market Engagement

- Actively migrate retail customers to the Bank's alternative banking channels in order to drive sales and transaction income
- Focus branch efforts on proactive customer outreach and relationship management so as to achieve significant growth for Personal and Business Banking

3 Boost Value Chain Penetration

- Accelerate customer acquisition and cross-selling, leveraging data analytics and technology to grow collections across the value chain of top Corporates and Commercial Banking customers
- Enhance collaboration amongst the SBUs to drive sustainability throughout the entire value chain

4 Optimize Channels Portfolio

- Deploy flexible, resilient and affordable infrastructure to enhance channel integration initiatives
- Launch innovative products and loyalty schemes to support increased customer activity across the Bank's channels

5 Grow Core Expertise in Special Markets

- Attain the lead in the country's Asian market, increasing income by leveraging Asia-Africa trade
- Develop innovative products to facilitate cross-border trade and cater to the dynamic needs of the local and international Asian business community

6 Cost Optimization

- Optimize branch operations, including the cash supply chain, so as to reduce operating costs, while still maintaining high service levels
- Streamline core processes in order to more effectively respond to continually changing market forces in a cost-effective manner

Disclaimer

The information presented herein is based on sources which Access Bank Plc. (the “Bank”) regards dependable. This presentation may contain forward looking statements. These statements concern or may affect future matters, such as the Bank’s economic results, business plans and strategies, and are based upon the current expectations of the directors. They are subject to a number of risks and uncertainties that might cause actual results and events to differ materially from the expectations expressed in or implied by such forward looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, regulatory developments, competitive conditions, technological developments and general economic conditions. The Bank assumes no responsibility to update any of the forward looking statements contained in this presentation.

The information should not be interpreted as advice to customers on the purchase or sale of specific financial instruments. Access Bank Plc. bears no responsibility in any instance for loss which may result from reliance on the information.

Access Bank Plc. holds copyright to the information, unless expressly indicated otherwise or this is self-evident from its nature. Written permission from Access Bank Plc. is required to republish the information on Access Bank or to distribute or copy such information. This shall apply regardless of the purpose for which it is to be republished, copied or distributed. Access Bank Plc.’s customers may, however, retain the information for their private use.

Transactions with financial instruments by their very nature involve high risk. Historical price changes are not necessarily an indication of future price trends. Investors are encouraged to acquire general information from Access Bank Plc. or other expert advisors concerning securities trading, investment issues, taxation etc. in connection with securities transactions.

The information contained in this presentation is subject to, and must be read in conjunction with, all other publicly available information, including, where relevant any fuller disclosure document published by the Bank. Any person at any time acquiring the securities must do so only on the basis of such person’s own judgment as to the merits of the suitability of the securities for its purposes and only on such information as is contained in public information having taken all such professional or other advice as it considers necessary or appropriate in the circumstances and not in reliance on the information contained herein. The information is not tailored for any particular investor and does not constitute individual investment advice.



access >>>



tomorrow /noun/

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

 **TAKE TOMORROW**