

ACCESS BANK

ANNUAL IMPACT
REPORT 2020



access

more than banking

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CEO Statement

Access Bank, in March 2019, became the first Nigerian bank to issue a green bond. The NGN15 billion Access Bank Green Bond was fully subscribed. The proceeds of the issuance formed a new financing pool, which was allocated to build environmental resilience, deliver on clean energy, and foster sustainable use of land. This is another validation for our strong commitment to sustainable economic development in Nigeria and in the African region.

With NGN14.623 billion (98.7%) already allocated to, a climate change mitigation project for flood defense and two renewable energy assets, we are glad to present the first Impact Report of the inaugural green bond by Access Bank. This timely report is customary to Access Bank's compliance practice. We believe this report is critical to sustaining the confidence of investors and support of our diverse stakeholders.

At Access Bank, we are totally dedicated to fostering economic and financial prosperity that is environmentally-responsible and socially-inclusive. To achieve this strategic objective, we have embedded sustainability in all our business processes, policies

and offerings. The vital knowledge and experience gained from our first green bond issuance, coupled with its success, has reassured us that Access Bank is well-positioned to create green assets, manage the portfolios and generate returns. The green bond has demonstrated that sustainability is more than an advocacy for doing the right things, it is also a framework and a strategy for creating financial assets to serve our customers and fund eligible projects.

Our sustainability strategy aligns with global best practice. Access Bank is a committed member of, or signatory to, various global initiatives for promoting the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Accord. The initiatives include the United Nations Environment Programme Finance Initiative (UNEP FI), Principles for Responsible Investments (PRI), and the UNEP FI Principles for Responsible Banking. The Bank is also a participant in the second pilot phase of the Taskforce on Climate-related Financial Disclosures (TCFD).

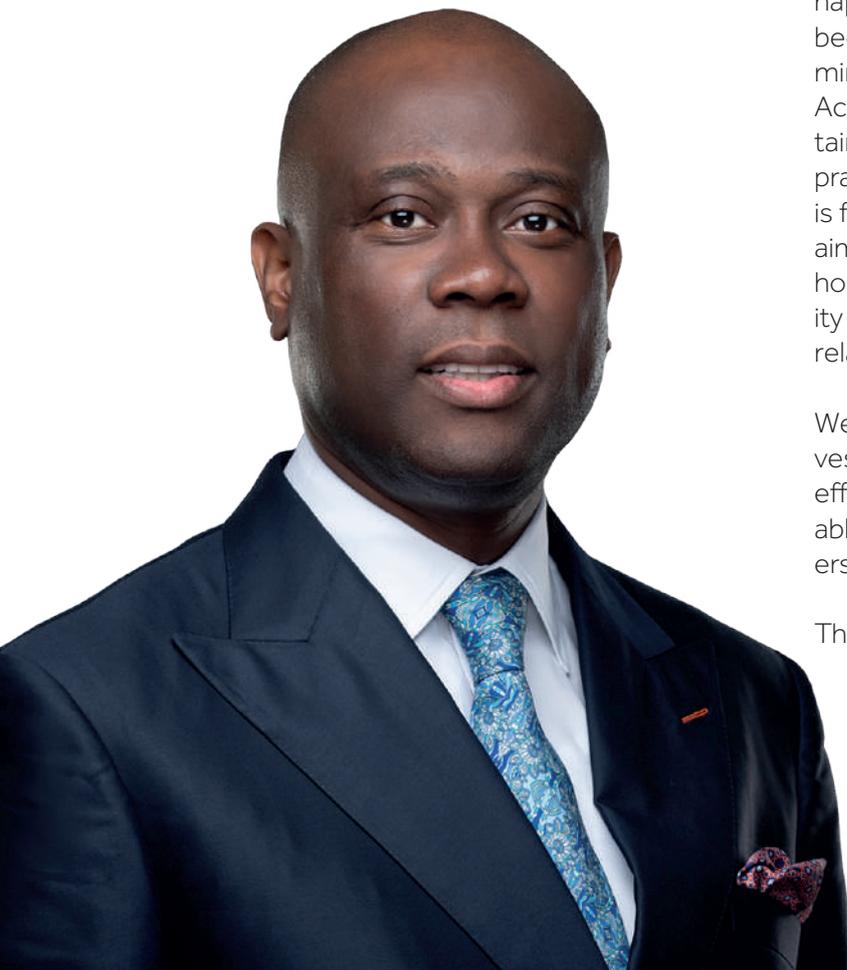
We are champions of these global principles where we operate and in the communities we serve. I am happy to note that the Access Bank Green Bond has been invested to support Nigeria's Nationally Determined Contribution (NDC) under the Paris Climate Accord. In 2019, we launched the Access Bank Sustainability Summit in Lagos to build a community of practice for sustainability in Nigeria. The green bond is featured in our 2019 Sustainability Report. This is aimed at increasing awareness among our stakeholders as we continue to mainstream sustainability into our strategy, operations, financing, investor relations, and social and environmental scorecard.

We hope to continue to enjoy the support of our investment partners and broader stakeholders in our efforts to continue to grow our portfolio of sustainable finance at Access Bank and leverage our leadership credentials in sustainability.

Thank you.

Herbert Wigwe

Managing Director/Chief Executive Officer



SUMMARY

This report gives an overview of the allocation of eligible green assets to the Access Bank Green Bond and describes the impact of the Green Bond at a portfolio level. The issuance of Access Bank's Green Bond is fully integrated into the Bank's sustainability strategy.

** The directors of Access Bank PLC are responsible for the preparation of this report and all supporting records, including selecting appropriate reporting criteria to form the Green Bond Policy and assessing the statement as to Use of Proceeds against that policy. The allocation and tracking of funds received is the responsibility of our Green Bond Committee as described on page 24 in this report. We confirm that the statement as to Use of Proceeds is properly prepared in accordance with the policy for the period ended 29 February, 2020.*



ABOUT ACCESS BANK

Access Bank is a leading financial institution with headquarters in Lagos, Nigeria. We are driven by strong core values through which we have continuously delivered solid and consistent performance. We are in business to help our growing customer base build a sustainable future by offering bespoke products and solutions through a skilled workforce. Operating through a network of more than 600 branches and service outlets, spanning three continents, 12 countries and 36 million customers, the Bank employs about 28,000 people in its operations in Nigeria and has subsidiaries in Sub-Saharan Africa and the United Kingdom (with a branch in Dubai, UAE) and representative offices in China, Lebanon and India.

Access Bank is licensed to provide international banking services and is renowned for its comprehensive range of financial product offerings. The Bank serves its various markets through four business segments: Retail, Business, Commercial and Corporate. The key customer segments include: Telecommunications, Food & Beverages, Manufacturing, Construction, Oil & Gas, Parastatals, High Net Worth Individuals and Middle-Income Professionals.

At Access Bank, we take pride in our ability to add value to clients and leverage our unique value proposition to provide innovative and proactive solutions across the entire economic value chains. In deploying products and services, the Bank adheres to responsible business practices and readily commits resources to social investments in fulfilment of its corporate social responsibility convictions.



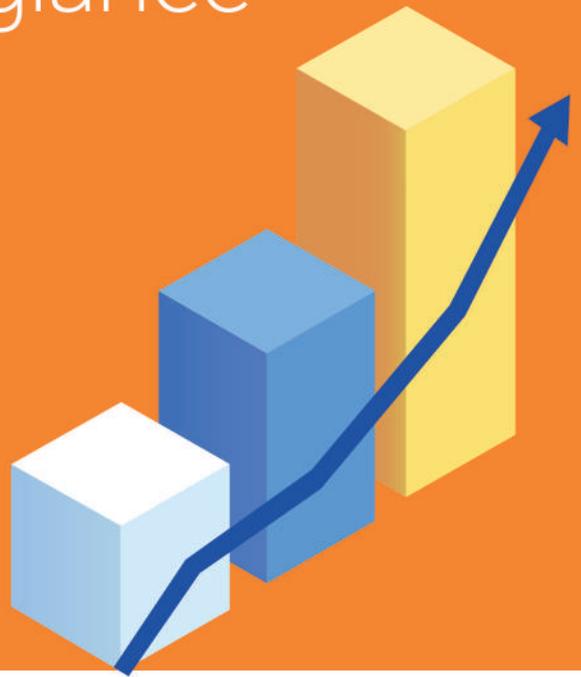
Access Bank at a glance

₦666.7bn

Revenue (FY 2019)

₦115bn

Profit before tax (FY 2019)



 The Nigerian Stock Exchange	Primary equity listing
 Irish Stock Exchange	\$300m Senior Bond
	₦30bn Local Bond

Our Credit Ratings

	A1
	A+
	A
	AA-

₦355.5bn

Market Capitalization
(Dec 2019)





36 Million+
Customers



41 Million+
Accounts



₦610bn
Shareholders' funds

We serve various markets through **four(4)** Strategic Business Units:



Corporate



Commercial



Business



Retail



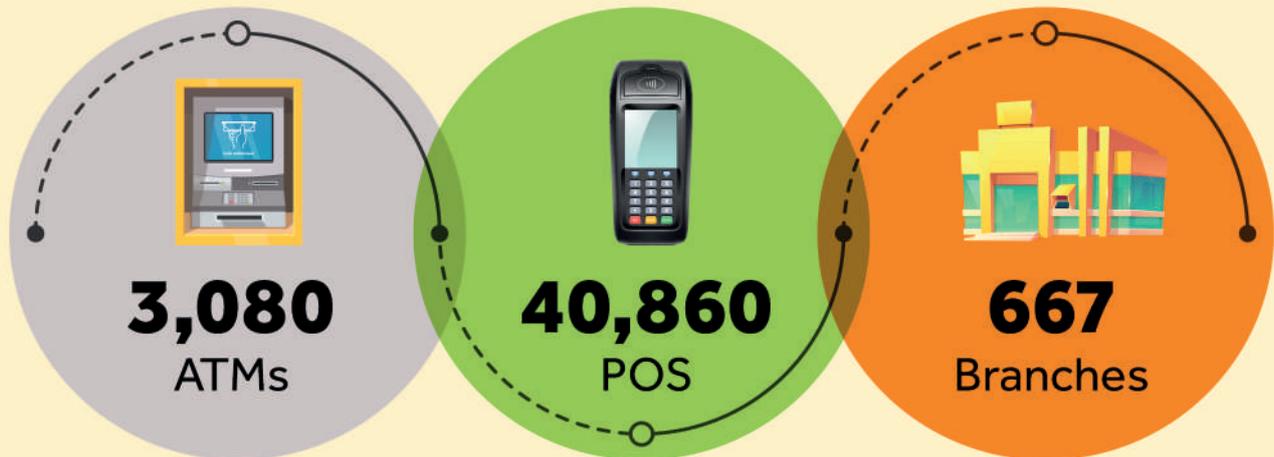
53%



47%

Channels:

We have a wide range of channels to deliver seamless banking experience



Awards & Recognitions

- Winner of the 2019 World Finance Awards for Most Sustainable Bank, Nigeria (10th time winner)
 - Winner of the 2019 Karlsruhe Sustainable Finance Awards for Outstanding Business Sustainability Achievement (4th time consecutive winner)
 - Winner of the 2019 SERAS Awards:
 - Most Socially Responsible Company of the Year (Overall Winner)
 - Best Company in Climate Action
 - Best Company in Partnership for Development
 - Best Corporate Communications Team
 - Best Company in Sustainability Reporting
 - Winner of the 2019 CBN Sustainability Awards:
 - Most Sustainable Bank of the Year
 - Most Sustainable Transaction of the Year in Oil and Gas
 - Most Sustainable Transaction of the Year in Agriculture
- Additional wins of the 2019 CBN Sustainability Awards:**
- Most Sustainable Transaction of the Year in Power
 - Bank of the Year in Women Economic Empowerment



Our International Presence



*Subsidiaries in Cameroon, Mozambique, Kenya and Guinea to commence operation in 2020.



Nigeria

Branches	Professional Staff
582	5878



Zambia

Branches	Professional Staff
7	80



United Kingdom

Branches	Professional Staff
3	139



Rwanda

Branches	Professional Staff
8	89



Ghana

Branches	Professional Staff
52	546



Congo

Branches	Professional Staff
5	84



Sierra Leone

Branches	Professional Staff
4	50



Gambia

Branches	Professional Staff
6	32



Sustainability at Access Bank

Access Bank is the largest bank in Africa by customer base, following the completion of its merger with Diamond Bank in April 2019. Our mission is to have real impact on our employees, communities and customers by setting standards for sustainable business practices, as we have done for over 10 years of implementing our sustainability strategies. As part of our efforts to embed sustainability deeply in our banking business, we designed several sustainability initiatives focused on environmental responsibility and social impact. We have also been leveraging our position and expertise to champion sustainability commitments and targets. This is exemplified by our facilitation and the adoption of the Nigerian Sustainable Banking Principles (NSBPs) and our commitment to the Global Principles for Responsible Banking, amongst other initiatives.

At Access Bank, we view sustainable fi-

nance as a key opportunity to integrate sustainability into the Bank as well as keying into our core business areas and customers. Access Bank has demonstrated its commitment to sustainable development by prioritizing environmental, social and governance considerations in its overall key performance indicators (KPIs).

Issuer Name:	Access Bank PLC
Green Bond ISIN:	NGAGB2024S08
Issue Date:	March 2019
Issued Amount:	NGN 15,000,000,000.00
Tenor:	5 years



ACCESS BANK'S COMMITMENT TO SUSTAINABILITY

Sustainability forms a core element of the Bank's overall strategy, which focuses on serving the diverse interests of key stakeholders by integrating Environmental, Economic, Social and Governance considerations in our business practices and decision-making processes. Specifically, the Bank's sustainability strategy is designed to drive a profitable and sustainable economy, anchored on environmental responsibility and social relevance.

We are committed to building a lasting and profitable financial institution that operates in a manner that will not compromise the ability of future generations to live in a healthy environment and prosperous communities. As an integral part of its strategy to build a viable and world-class African Bank, Access Bank has continued to lead the sustainable finance agenda in Nigeria, and across the continent. The Bank has committed itself to contributing towards environmental sustainability and the fight against climate change through innovations in its investment strategy, evident in the issuance of its Green Bond.

We acknowledge that we have a role to contribute and support relevant efforts in the markets we operate in, to achieve global sustainability goals as defined by the United Nations Sustainable Development Goals (SDGs). Based on this, we are taking a strategic approach to deploying our resources into initiatives designed to enhance social welfare, environmental protection and conservation while driving economic growth.



Access Bank's Sustainability Vision

"To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best in class operations



SUSTAINABILITY STRATEGY

Access Bank recognizes that in order to succeed in today's global marketplace, sustainability must be embedded in the way we do business. That is why our Sustainability vision integrates environmental, social, and economic considerations into our core business strategy. It helps us ensure that throughout our business, we have a deep understanding of the megatrends that will affect us, and society at large, for the next several decades. This sustainability vision is "To be the Most Sustainable and Respected Bank in Africa, financing and facilitating brighter futures for all our stakeholders through innovative services and best-in-class operations."

Therefore, at Access Bank, our business operations and practices are environmentally-conscious, economically-developed and socially-relevant. This, we have achieved by supporting vibrant and successful communities in every market we serve, facilitating and financing sustainable economic growth, respecting human rights and increasing our efficiencies to mitigate against adverse environmental footprints.

Over the next five years, Access Bank aspires to be the number 1 bank in Nigeria, with a strong global franchise and a universal payment gateway, solidified by a robust capital base and best-practice governance structures. In achieving these, we have embedded in our business practices a focus on sustainable banking that would lead to ethical economic growth that is environmentally-responsible and socially-relevant.

From the efficiency of our buildings to our progress in managing energy, water and waste, we continue to find ways to reduce the Bank's impact on the environment and embed sustainability throughout our businesses. We are also constantly reminded of the social and economic consequences of climate change and its increasing impact on our customers and clients. By recognizing and understanding these issues, we are able to manage risk and capture new market opportunities.

The Bank's Corporate Social Responsibility is not limited to support for Arts, Health, Education, Environment and Sports; it also includes social welfare schemes and charity work. Our management approach to sustainability is predicated on best practices and covers the core areas of CSR: environmental stewardship, socially-responsible development, human rights, and fair and ethical practices. As a responsible financial institution, Access Bank maintains high standards of integrity in its methods and practices, and is a **responsible** corporate citizen.

Leading by Example

Access Bank is the only West African bank to join 27 other global banks and the UNEPFI to form a Core Group to develop the Principles for Responsible Banking

Access Bank strives to be an exemplary institution. The Bank began to implement its sustainability strategy in 2008, the first Nigerian bank to do so. In inculcating selfless leadership, we adopted employee volunteering throughout the bank.

As part of our pioneering activities, Access Bank started sustainability reporting in the Nigerian financial services sector in 2009, using the GRI guidelines. In 2020, Access Bank embedded sustainability its Corporate Philosophy, ensuring sustainability considerations in all aspects of its business processes. The Bank played a leading role in the process that culminated in the development of the Nigerian Sustainable Banking Principles (NSBPs). The NSBPs have been adopted by all Nigerian banks and endorsed by the Central Bank of Nigeria.

Access Bank is a member or signatory to major global initiatives for sustainable banking and finance. Access Bank was a pioneering signatory to the Equator Principles, United Nations Principles for Responsible Investment (UNPRI), and was the only Sub Saharan African bank that joined 27 other global banks and the UNEPFI to form a Core Group to develop the Principles for Responsible Banking in 2018 in support of the SDGs and the Paris Climate Agreement.

Access Bank holds several strategic leadership positions in sustainability initiatives, including Africa Lead, UNEPFI Core Group for the Principles for Responsible Banking; Co-Chair,

Corporate Alliance on Malaria in Africa; Board member, UN Global Compact Nigerian Local Network; Leadership Group Member, UN Women Empowerment Principles; Co-Chair, Nigeria Business Coalition Against AIDS; Gold Member, Nigerian Conservation Foundation; Member, Global Business Coalition on Health; Member, World Economic Forum; and Member, Sustainability Standards and Certification Initiative (SSCI).

Our sustainability leadership has continued to deliver good outcomes and impacts. Under our Employee Volunteering Scheme (EVS), Access Bank employees have volunteered a total of 2,735,011 hours in over 320 strategic community initiatives across the 6 geo-political zones in Nigeria since 2015. Through our recycling initiative, we have achieved a 94.69% reduction in waste-to-landfill by taking solid waste generated at our offices to recycling locations; we have also achieved a 77.35% reduction in paper consumption through increased efficiency in our processes. Access Bank currently has 58 branches that are powered by alternative energy (hybrid) and 605 solar-powered ATMs across Nigeria. Since 2015, we have invested NGN 9.34 billion in various corporate social responsibility initiatives, thereby impacting 1,316 communities, reaching 30,075, 356 lives and 793 Non-Governmental Organisations.

For more information on Access Bank's Sustainability, please visit <https://www.accessbankplc.com/pages/Sustainable-Banking.aspx>

Our Employees

Operating a sustainable business is dependent on our ability to create a working environment that has the interest of our people at heart. We deliver value to our employees by helping them develop to their full potentials, investing in their future and increasing their ability to thrive in their work. We run an Employee Volunteering Scheme (EVS), encouraging our employees to add value to their communities. Since the commencement of our EVS, all Access Bank employees have volunteered a total of 2,735,011 hours in over 320 strategic community initiatives across the 6 geo-political zones in Nigeria since 2015.

**Access Bank employees have
volunteered a total of**

2,735,011

**hours in over 320 strategic
community initiatives across
the 6 geo-political zones in
Nigeria since 2015.**





Our Customers

At the heart of our decision making processes are the interests of our customers. We are committed to the highest standards of corporate responsibility, and ensure the delivery of sustainable solutions to our customers, creating positive legacies in the communities in which we serve. We conduct our business with customers and partners responsibly and with a focus on long-term relationships and adding value.

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collateral**

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Our Suppliers

We maintain a healthy relationship with our vendors, therefore enhancing our service delivery capabilities. We aim to achieve cost savings, improved cycle times for service delivery, improved service levels for internal and external customers and improved productivity of internal resources. Pursuing these objectives aligns with our wider sustainability goals as our suppliers are required to embrace sustainability practices in their day-to-day operations.

access more global success

As **Africa's Gateway to the World**, we support your business by helping you manage international payments through AccessAfrica. We can also finance your trade and offer advisory services.

Let's help you achieve more.



More Information:
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ACCESS BANK'S ESRM FRAMEWORK

Cognisant of the key role it can play in ensuring that its real sector clients incorporate environmental and social best practices into their business designs, the Bank developed an environmental and social risk management (ESRM) manual. The ESRM manual defines Access Bank's policies and procedures for identifying, assessing, approving, monitoring and reporting E&S risk

related to its business activities. Access Bank's ESRM framework has been expanded in line with its Green Bond Framework, and the green bond portfolio projects also undergo E&S due diligence and monitoring according to the ESRM procedures.

Access Bank's governance framework is guided by the Central Bank of Nigeria's Code of Corporate Governance for Banks and Discount Houses in Nigeria (the CBN Code), the Securities Exchange Commission Code of Corporate Governance for Public Companies (the SEC Code), and the Post Listing Rules of the Nigerian Stock Exchange. These, as well as the Board Charter and the Bank's Memorandum and Articles of Association, collectively provide the foundation for our sound corporate governance, which earned us the 2019 Best Corporate Governance Company in Africa by the Ethical Boardroom Corporate Governance Awards. The framework governing the Bank and its subsidiaries enables the Board to perform its oversight functions, while also ensuring the Bank's regulatory compliance. Our subsidiaries also align their governance frameworks with that of the Group, while also complying with the statutory and regulatory requirements of their host countries.

Access Bank's E&S Due Diligence Methodology

Access Bank's Environmental and Social (E&S) Risk Management (ESRM) Manual sets out a detailed framework by which the Bank manages its E&S risk. The bank's E&S processes are in line with its commitment to building a sustainable and lasting financial institution. The manual stipulates compliance with applicable laws and regulations of Nigeria, and international best practices and protocols such as the Equator Principles, and IFC's Performance Standards.

The E&S risk management is integrated into the bank's credit approval process and identifies five key steps in the risk management process - E&S screening; E&S risk assessment; decision and documentation; monitoring; and reporting.

Access Bank has won the Most Sustainable Bank award from the Central Bank of Nigeria for three consecutive years (2017 – 2019). The award is conferred on the bank that is recognised as most effective in implementing the Nigerian Sustainable Banking Principles.



The Access Bank Green Bond

Recognising the abundance of opportunities and keen interest of customers in sustainable financing solutions, Access Bank organised the first-ever Green Bond Market Development Programme in partnership with FMDQ, Climate Bonds Initiative (CBI), and the Securities and Exchange Commission (SEC) in 2018. Other stakeholders included Financial Sector Deepening (FSD), National Pension Commission (PenCom), Central Bank of Nigeria (CBN), Development Bank of Nigeria (DBN), Federal Ministry of Environment, and Federal Ministry of Finance.

Launched in March 2019, Access Bank became the first African bank to issue a private sector certified green bond¹. The issuance of the NGN15 billion bond, awarded an Aa- rating by Agosto & Co, is in line with the Bank's commitment to creating shared value in its strides to becoming "the world's most respected African Bank". The green bond also aligns with the requirements of the Climate Bonds Standard of the CBI and the Green Bond Principles (GBP) hosted by the International Capital Market Association (ICMA). In alignment with its commitment to sustainable development, Access Bank has produced this green bond impact report for its stakeholders, highlighting the use of proceeds and projected impacts of its first green bond.

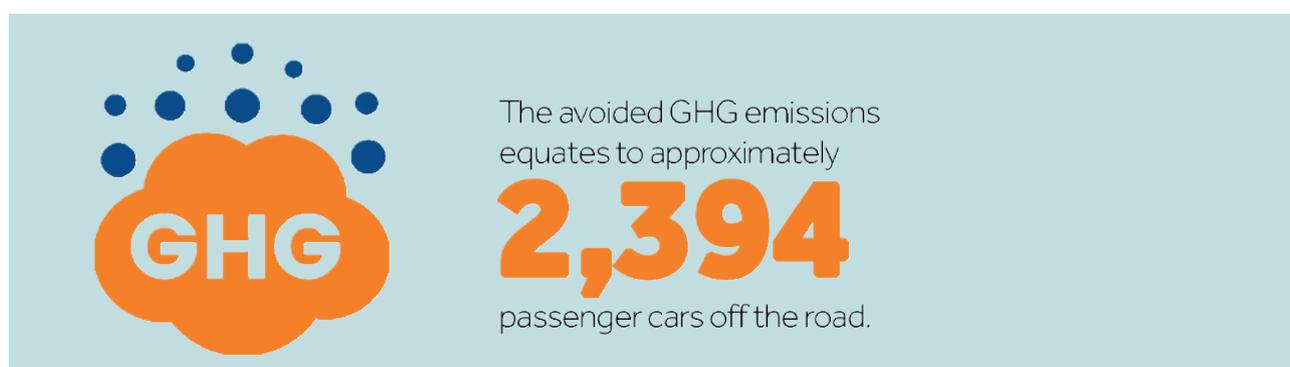
The use of proceeds of the bond is consistent with the environmental objective and stated eligible activities included in Access Bank's Green Bond Framework. Eligible assets have been reviewed and approved by the Green Bond Committee (GBC) of Access Bank. The selected eligible activities have been classified and assessed in line with the eligibility requirements specified in part B of the CBI standards.

The impact reporting of the selected activities uses indicators consistent with those recommended by the Handbook and Framework for Harmonised Impact Report publishedⁱⁱ by ICMA in June 2019.

A total amount of NGN14.623 billionⁱⁱⁱ has been allocated against three eligible green activities: a flood defence infrastructure for the Victoria Island axis of Lagos State, a photovoltaic system and photovoltaic supporting assets.

The annual impact of the use of proceeds is estimated annually as disclosed below. The methodology and assumptions used are described in Annex 1.

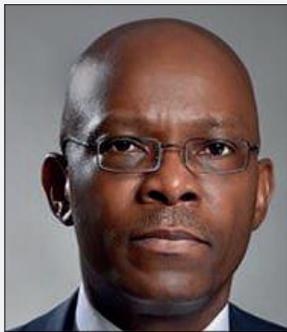
- Greenhouse emission reductions of 11,361 tCO₂eq/y
- Installed renewable energy capacity of 14.31 MW
- Renewable energy generation of 23,817 MWh/y
- 900 hectares protected from flooding^{iv}
- 400,000 beneficiaries protected against flooding which comprises of 250,000 residents and 150,000 commuters



Access Bank has engaged PwC LLP as an independent verifier over the selected information as shown in the full assurance report available at <https://www.accessbankplc.com/> has been prepared in line with the Access Bank Green Bond Policy.

ACCESS BANK GREEN BOND COMMITTEE

The Access Bank Green Bond Committee (GBC) comprises numerous staff across various functions, including Risk Management, Sustainability, Corporate Finance, Financial Control, Treasury, Legal, Conduct and Compliance, and the Strategic Business Units. The people represented here are the heads of the various functions. The Committee is led by the Executive Director, Risk Management with the support of the Group Chief Financial Officer.



Greg Jobome,
Executive Director,
Risk Management



Seyi Kumapayi,
Chief Financial Officer



Pattison Boleigha,
Chief Conduct and
Compliance Officer



Sumbo Olatunji,
Group Head, Treasury



Ralph Opara,
Group Head, Commercial Banking



Darren Stone,
Group Head, Environmental &
Social Risk Management



**Omobolanle
Victor-Laniyan,**
Head, Sustainability



Seun Olufeko,
Group Head, Corporate Finance



Victor Okafor,
Group Head, Financial Institution



Gbenga Adeleke,
Head, Environmental &
Social Risk Management



ABOUT **ACCESS BANK'S** GREEN BOND FRAMEWORK

Access Bank has established a Green Bond Framework against which assets are assessed to determine their eligibility. The Green Bond Framework, which outlines the Bank's strategy to manage its green bond assets, has been certified by the Climate Bonds Initiative (CBI). It also aligns with the International Capital Market Association (ICMA) and its Green Bond Principles (GBP). Access Bank's Green Bond Framework is in line with its commitment to banking in a sustainable manner as well as supporting the transition to a low-carbon economy.

Access Bank's Green Bond Framework Core Pillars

Access Bank has established a Green Bond Committee, which is tasked with the governance of the Green Bond Framework, approval of green bond proceeds, and reporting. In line with the Climate Bond Standards and the Green Bond Principles, the framework rests on four core pillars:

I. Use of Proceeds:

The proceeds of the bond issuance will be used to finance or refinance projects with clear environmental benefits. Eligible sectors include:

- Renewable energy
- Energy efficiency
- Efficient green buildings
- Sustainable waste management
- Sustainable land use
- Clean transportation
- Non-energy GHG emissions reduction
- Sustainable water management
- Climate change adaptation
- Green trade (trade finance activities that support renewable energy and energy efficiency product supply chains)
- Climate-smart agriculture

II. Governance, Process for Identification and Approval for Use of Proceeds:

A governance process for selecting and evaluating financing within the green bond asset categories has been put in place by Access Bank. Under this pillar, verification of potential assets is performed by an independent verifier before qualifying for inclusion in the Green Bond Register.

III. Management and Tracking of the Proceeds of Issuance:

The proceeds of the Green Bond are earmarked and tracked using an internal monitoring system with periodic due diligence audits carried out on the assets. Unallocated proceeds will be placed in short-term investment instruments that do not increase GHG emissions.

IV. Reporting:

An annual impact report is provided to all relevant stakeholders including investors, regulators and the general public. The report will include information on the allocation of proceeds against eligible sectors, descriptions of the businesses, projects funded and balance of unallocated proceeds for the reporting period.

Consistent with the Bank's robust Environmental and Social Risk Management policy, the projects are screened against E&S criteria, which include applicable national laws and IFC performance standards.

QUALIFIED GREEN LOAN IDENTIFICATION, APPROVAL AND MANAGEMENT PROCESS

S/N	Parties	Description
1	Relationship Management	Credit and Sustainability Risks: The relationship managers perform regular credit risk analysis and a standard sustainability risk assessment based on the Bank's sustainability / Environmental and Social (E&S) risk management policies & finance toolkit, exclusion list, risk assessment criteria, and guided by requisite sector guidelines.
2	Sustainability Unit, ESRM Team	Sustainability Analysis: The Sustainability and ESRM Teams perform a sustainability/E&S risk analysis, which includes the collection of evidence of environmental considerations taken in the planning process. Both teams also exercise professional judgement, discretion and sustainability expertise in the process.
3	Green Bond Committee	Approval: The Green Bond Committee is the decision-making body that approves the proposed loan's eligibility as a green asset and thus the inclusion in Access Bank's Green Asset Register. The Green Bond Committee is responsible for the governance of the bank's Green Bond Framework and for the approval of the allocation and reallocation of Green Bond Proceeds.
4	Group Treasury	The Loan is Registered as a Green Asset: Access Bank has internal systems in place to track the proceeds of our Green Bonds. Group Treasury monitors the Green Asset Register to ensure that all proceeds from Green Bond issuances are allocated to a corresponding amount of Eligible Green Assets.
5	Sustainability Unit, ESRM Team	Impact Reporting: Access Bank reports on an annual basis on the environmental impact of the Green Asset Register. The report also includes details on the total amount of Green Bonds issued, allocation of proceeds within each asset category, total amount of unallocated proceeds and share of proceeds used for financing/re-financing.

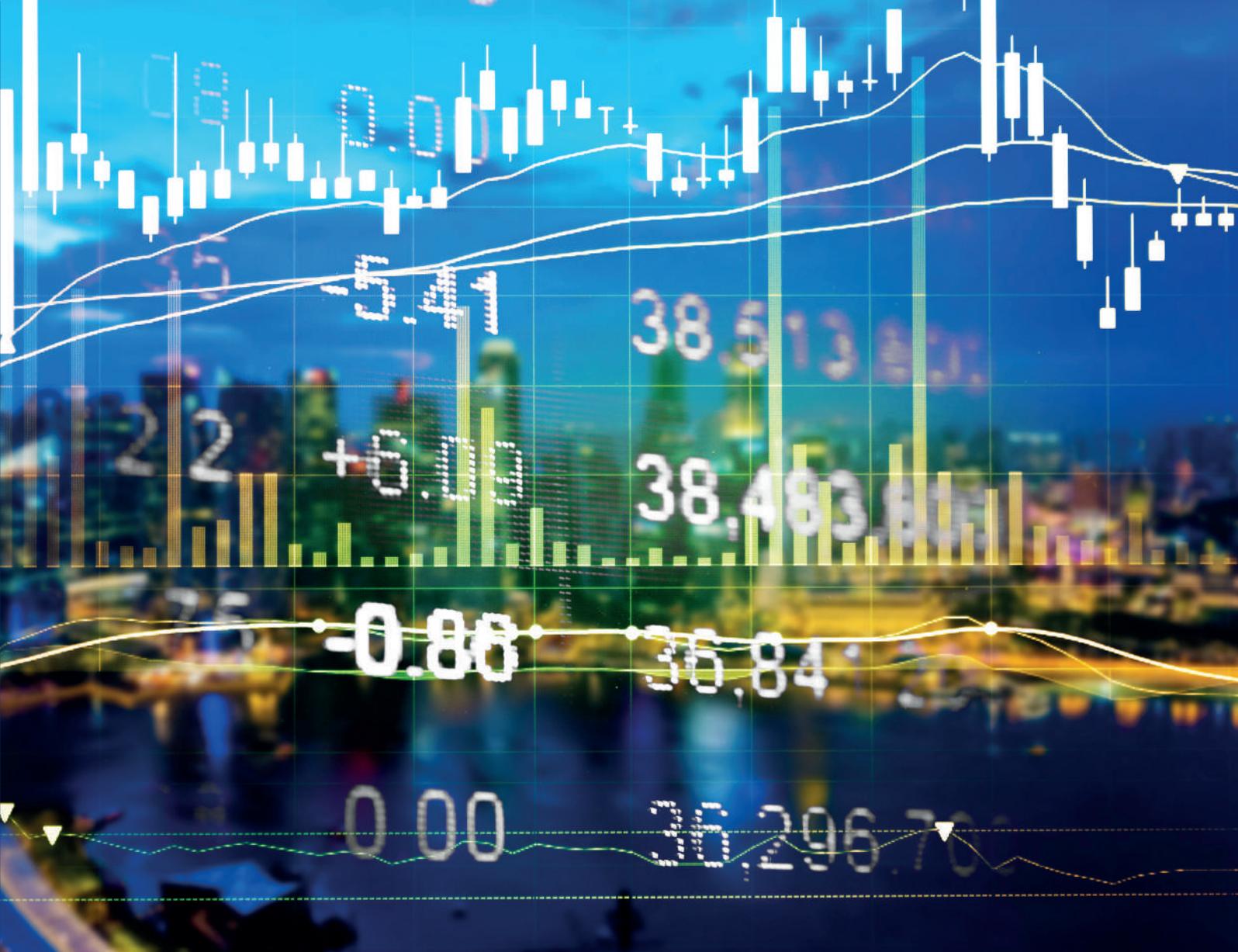
About Green Bonds and the Climate Bonds Initiative (CBI)

A green bond is a debt instrument from which proceeds are raised solely for the financing or refinancing of eligible green projects. A green project has clearly defined positive environmental and/or climate benefits.

Climate Bonds Initiative is an investor-focused not-for-profit organization promoting large-scale investments that will deliver a global low carbon and climate-resilient economy. The Initiative seeks to develop mechanisms to better align the interests of investors, industry and governments to catalyse investments at a speed and scale sufficient to avoid dangerous climate change.

Transparency to the underlying asset is important in allowing investor due diligence. Credible, science-based, widely-supported guidelines about what should and should not be considered a qualifying investment help investors to make informed decisions about the environmental credentials of a bond.

The Climate Bonds Standard provides clear, sector-specific eligibility criteria for assets and projects that can be used for Climate Bonds and Green Bonds



ASSET PORTFOLIO IMPACT

The impact reporting of the selected activities uses impact indicators consistent with those recommended by the Handbook and Framework for Harmonised Impact Report published^v by ICMA in June 2019.

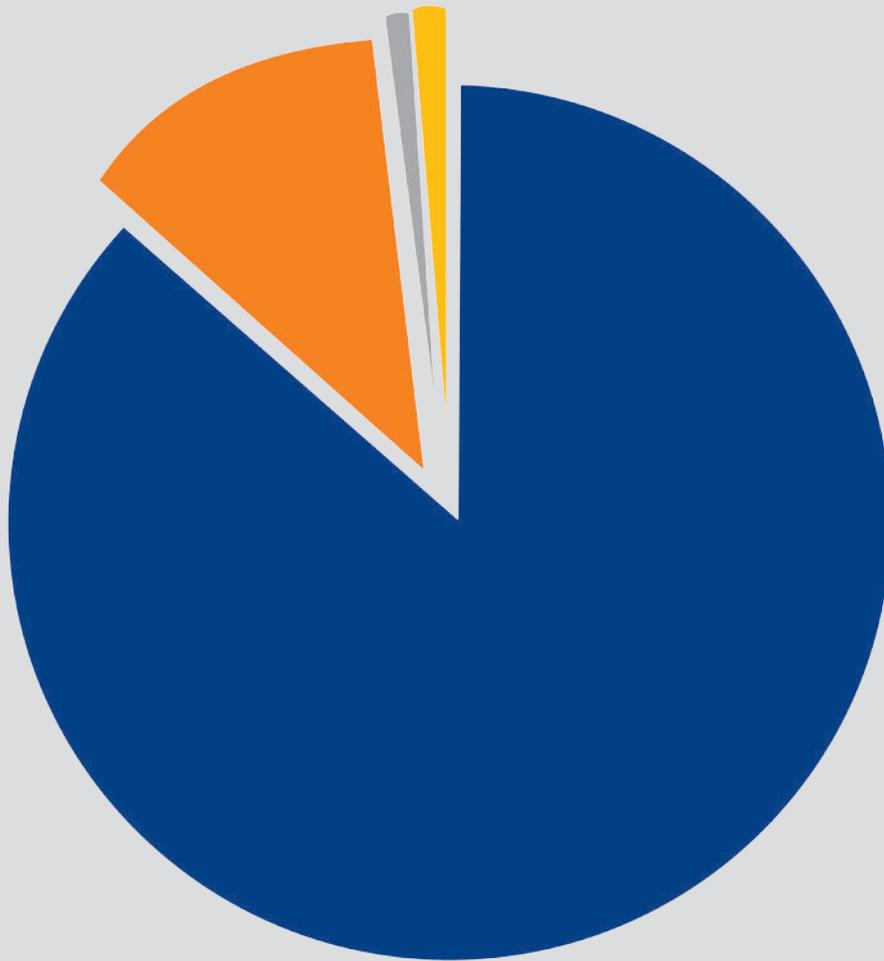
The impact reported is based on ex-ante estimates of expected annual results for a representative year once the eligible project is completed and operating at normal capacity. The reporting is thus not intended to provide actual results achieved in a specific year or reporting period. The method of estimating the impacts is included in the Annex.

A total amount of NGN14.623 billion has been allocated in three eligible activities: 1 flood defense project for Victoria Island in Lagos, and 2 photovoltaic assets. The annual impact of the use of proceeds is estimated at greenhouse emission reductions of 11,361 tCO₂eq/y, installed renewable energy capacity of 14.31 MW, renewable energy generation of 23,817 MWh/y, 900 hectares protected from flooding, and 400,000 beneficiaries protected against flooding.

This table of use of the green bond proceeds for the period ended 29 February, 2020 has been subject to independent assurance. The full assurance report can be found on our website at <https://www.accessbankplc.com/>

Use of Proceeds	Physical location	Amount financed with proceeds from the bond (NGN)	Date of proceeds allocation	Impact Indicators
Project A: Flood Defence	Victoria Island, Lagos	12,845,114,325.79	31/05/2019	<ul style="list-style-type: none"> • Area resilient against flooding: 900 hectares • Total number of people benefitting from improved resilience against flooding: 400,000
Project B: Solar Energy	Lagos Metropolitan area including - Ojo, Magodo, Ikeja, Ikoyi, Ajah	1,674,600,042.00	31/12/2019	<ul style="list-style-type: none"> • Renewable energy installed capacity: 13.39MW • Renewable energy generation: 22,286 MWh/y • GHG emission reductions: 10,631 tCO₂eq/y
Project C: Solar Energy	Enugu, Jos, Port Harcourt, Lagos and Abuja	103,722,982.85	31/12/2019	<ul style="list-style-type: none"> • Renewable energy installed capacity: 0.92MW • Renewable energy generation: 1,531 MWh/y • GHG emission reductions: 730 tCO₂eq/y
Project D: Agriculture (Water management)	N/A	N/A	N/A	N/A

Amounts Disbursed to Eligible Projects (NGN)



Project A:
Flood Defence ,
12,845,114,325.79

Project B:
Solar Energy Project,
1,674,600,042.00

Project C:
Solar Energy
103,722,982.85

Project D: Agriculture
(Water management),
0

PROJECT A:

FLOOD DEFENCE

The proposed flood defence project will build a 7km protective sea wall around the coastline of Victoria Island, the financial and commercial hub of Lagos. When completed in 2021, the wall of 100,000 concrete blocks will be over 7km long, providing a protective barrier for the Victoria Island shoreline. The use of the funds will include installation of water infrastructure, including surge barriers, pumping stations, levees, and gates. Access Bank Green Bond proceeds was used to refinance a percentage of the flood defense infrastructure

Climate Risk

Storm surge is a concern for Lagos, as climate scenarios project increased storm surges and greater extreme wave heights along the coasts. The low-lying Victoria Island, a key central business district is at imminent risk of inundation by the Atlantic Ocean.



Vulnerability to climate change

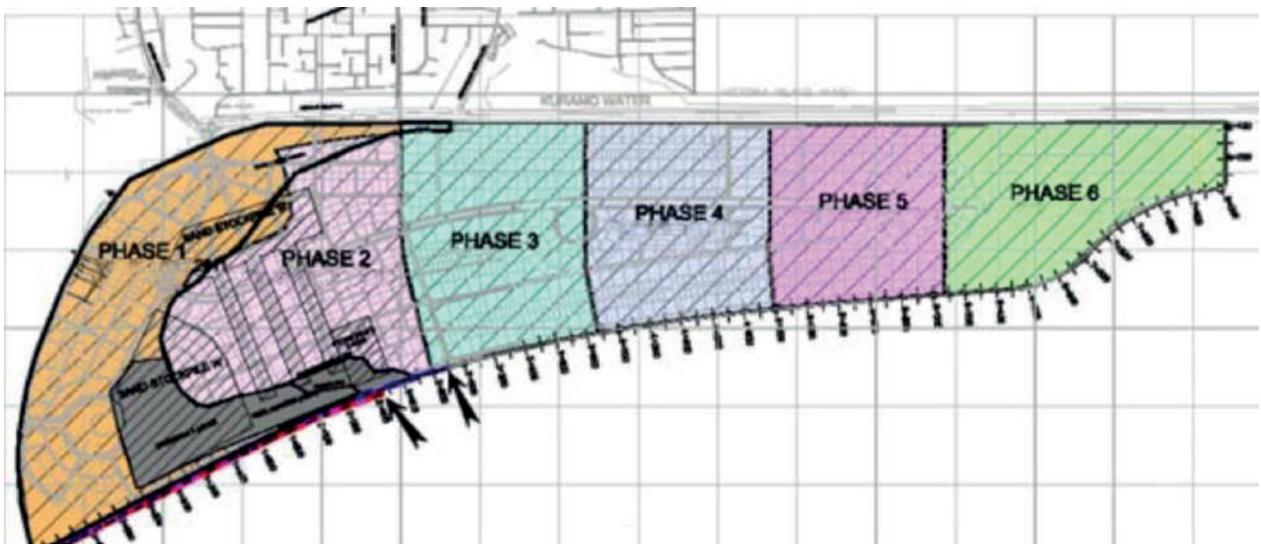
The approximately 900 hectares that make up the city of Lagos is comprised of islands surrounded by lagoons and bordering the Atlantic Ocean. This area is subject to chronic flooding with an intensity and frequency exacerbated by climate change.

According to the Maplecroft Climate Change Vulnerability Index^{vi}, Lagos has an "Extreme" vulnerability^{vii} to the impacts of climate extremes and changes in climate. The index assesses the city's exposure to climate extremes, the climate change adaptation capacity, and human sensitivity to climate stressors.



Adaptation measure

The project will ensure climate resilience of the main reclaimed area of approximately 6km long with a width of 1.5km on the western end, tapering 0.5km on the eastern end. The outer edge of the reclaimed area will be protected from the sea by a long rock revetment, approximately 7km to provide shoreline protection to the new land and to Victoria Island itself. This formation has also been modeled to accommodate expected sea level rises and greater annual tidal surges under future climate scenarios.



Asset Name	Signed amount (in NGN)	Eligibility for green bonds	Allocated amount (in NGN)	Area protected against flooding	Number of people benefiting from asset
Flood defence project in Lagos State. Location: Victoria Island Lagos	12,845,114,325.79	100%	12,845,114,325.79	900 hectares	400,000

SOLAR ENERGY PROJECTS (PROJECT B and C)



According to Nigeria's Nationally Determined Contribution (NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC)^{viii}, access to energy for all Nigerians is a priority. It is estimated that a significant share of energy demand remains unmet. The dearth of energy supply has led to the use of diesel and other fossil fuel-based generators, which are mostly inefficient and pollute the environment. The potential to use renewable energy to provide energy access and to reduce emissions is enormous.

A portion of proceeds from Access Bank's Green Bond have been allocated to finance two assets, which will support solar photovoltaic generation in the following geo-political zones of Nigeria: South-East (Enugu), South-West (Lagos), South-South (Port Harcourt), North-Central (Jos) and Federal Capital Territory (FCT).

Nigeria's energy masterplan has the ambitious plan to reduce the share of the population living without electricity to 10% (from 60% in 2015). Solar power will play an integral role in contributing to Nigeria's clean energy goals and bridging the energy access gap in rural areas of the country. The masterplan has placed a target of 30% of the renewable energy mix in the available electricity mix. Nigeria's solar irradiation (the sun's radiant energy) is bountiful, with peak sun hours averaging 6.25 hours a day, making solar photovoltaics system a viable energy solution for the country.

The opportunities in energy access in the country can create over \$9 billion annually in market potential for mini-grids and solar systems^{ix}. While there are still barriers to private investments in the sector, the regulatory environment is responding to investors' apprehensions, and there have been progressive reforms to encourage private financing of solar energy.

In total, NGN 1.77 billion of the green bond proceeds has been allocated to the financing of 14.31 MW of installed capacity.

Greenhouse Gas (GHG) Emissions reductions

Currently, over 50% of Nigerians have no access to electricity. To produce electricity, many companies and homes rely on fossil fuel generators, which contribute to air pollution and GHG emissions. The introduction of solar-based energy displaces other more carbon-intensive options such as grid electricity or fossil fuel-based generators.

The expected installed capacity will lead to total annual GHG emission reductions of 11,361 tCO₂eq/y.

Access to Energy

Nigeria's dearth of energy is costing the country over \$25 billion loss in economic revenue annually^x, and it is estimated that businesses are spending over \$14 billion annually in generating private power, which is both expensive and polluting the environment. For businesses in Nigeria, this additional cost of generating energy is cited as the most significant challenge to doing business.

The expected installed capacity will lead to a total annual renewable energy generation of 23,817 MWh/y. The total installed capacity will contribute towards meeting Nigeria's renewable energy targets.

Asset Name	Signed amount (NGN)	Eligibility for green bonds (%)	Allocated amount (NGN)	Renewable energy installed capacity (in MW)	Renewable energy generation (in MWh/y)	Annual GHG emissions reduced (in tons CO ₂ equivalent tCO ₂ eq/y)
Solar Energy Project B. Location: Lagos Metropolitan area including - Ojo, Magodo, Ikeja, Ikoyi, Ajah	1,674,600,042.00	100%	1,674,600,042.00	13.39	22,286	10,631
Solar Energy Project C. Location: Enugu, Jos, Port Harcourt, Lagos and Abuja	103,722,982.85	100%	103,722,982.85	0.92	1,531	730

UNALLOCATED GREEN BOND PROCEEDS



The sum of **NGN192,413,649.35**, excluding interests accrued, is currently the unallocated green bond proceeds which have been invested in an interest-bearing money market instrument by the Bond Trustee in line with the Green Bond prospectus.

Alignment of Green Bond Portfolio with SDGs

Use of the Access Bank Green Bond proceeds aligns with three of the Sustainable Development Goals (SDGs).

AFFORDABLE AND
CLEANENERGY



SUSTAINABLE CITIES
AND COMMUNITIES



CLIMATE
ACTION



Use of Proceed	SDG Mapping	SDG Impact
Flood Defence Project	 <p>Goal 11: Sustainable Cities and Communities</p>  <p>SDG 13: Climate Action</p>	<p>11.7a Increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation, adaptation to climate change, and resilience to disasters.</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p>
Solar Energy Projects	 <p>SDG 7: Affordable and Clean Energy</p>  <p>SDG 13: Climate Action</p>	<p>7.2 Increase substantially the share of renewable energy in the global energy mix.</p> <p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p>



Nigeria's Intended Nationally Determined Contribution (NDC)

Nigeria has committed to reducing Greenhouse Gas Emission by 20% unconditionally and 45% with international support by 2030. This is in line with the Sectoral Action Plan (SAP) for the implementation of the NDC in several key priority sectors. The focus areas for Mitigation include Energy, Oil & Gas, Agriculture & Land use, Power and Transport. Additionally, the priority sectors for Adaptation include Agriculture, Disaster Risk Management (DRM), Education, Energy, Environment, Health, Land Use, Land Use Change and Forestry (LULUCF) /Forestry, Transport, Urban, and Water.

As the most populous and largest African economy, with a major dependence on oil and petroleum products, Nigeria has a key responsibility to take on in order to meet the SDGs. There is the need to transition to more sustainable revenue sources as well as cater to the needs of the growing population with respect to energy, water, housing, and food, amongst others.

As a leading financial institution, Access Bank recognises that we must also strategically align our business with Nigeria's commitment to reduce its greenhouse gas emissions substantially over the next few years. Therefore, we are taking measures, and will continue to do so, to manage our exposure to sectors that are carbon-intensive and increase financing to businesses and projects that are designed to address the nation's NDC targets. While we have several commitments at various levels – global, regional or otherwise – we remain deliberate in ensuring that we prioritise the NDC's as evidenced in our green bond issuance.

ANNEX

Methodology-About the methodology used for impact calculation

Greenhouse gas (GHG) emission reductions have been calculated for renewable energy assets that received proceeds from Access Bank's green bond. The calculations have followed the harmonised approach for assessing the mitigation benefits, or net GHG emissions, of renewable energy (RE) assets in accordance with the International Financial Institution (IFI) Framework for a Harmonised Approach to Greenhouse Gas Accounting^{xi}.

For the purpose of promoting greater harmonisation, the IFI GHG Accounting TWG (IFI TWG) maintains a common dataset containing Default Emissions Factors^{xii} (DEFs) for countries and interconnected grids where applicable. The default emissions factor for the Nigerian power grid recommended by the DEF has been applied in the calculation of GHG emission reductions.

To be on the very conservative side, the calculations made use of the following assumptions:

- Average of 19.2% capacity factor.^{xiii}
- Although the solar assets may be displacing diesel power generators, for the sake of conservativeness, we assume that in the long term, the renewable energy equipment will be displacing grid power (which has a lower GHG intensity compared to diesel power). From the DEF referred to above, the forward-looking GHG intensity of the grid power is 0.477 tCO₂eq/MWh.
- Access Bank's clients for projects B and C are focused on supplying hardware for solar energy. The following assumptions are used:
 - Clients receiving proceeds from the green bond are focused on solar energy solutions which range from solar PV to solar pumps.
 - According to the U.S. EIA, solar plants typically install more panel capacity relative to their inverter capacity in a relation to 1 to 1.15 – 1.30. Given that these inverters are used for converting DC to AC power, and noting that the technical specifications in the invoices presented to Access Bank by projects B and C match those typically used to support solar PV or solar pumps, then the aggregated capacity of inverters will support at least the same capacity equivalent in solar panels.
 - Projects B and C manage proceeds to finance inventory which is not necessarily organised on the basis of one inverter-one panel but inverters can also be used for solar pumps, then a fraction of the inverters can be used for water pumps which leads to much higher emission reductions, as they will be displacing diesel or gasoline based pumps instead of grid power electricity. Therefore, it will be conservative to estimate impact on the basis of all inverters supporting solar PV.

The following are the details of the calculations:

Project B:

- Annual renewable electricity generated: $13.39\text{MW} \times 365\text{d/y} \times 24\text{h/d} \times 0.19 = 22,286$ MWh/y
- GHG emission reduction = $22,286 \text{ MWh/y} \times 0.477 \text{ tCO}_2\text{eq/y} = 10,631 \text{ tCO}_2\text{eq/y}$ (rounding)

Project C:

- Annual renewable electricity generated: $0.92\text{MW} \times 365\text{d/y} \times 24\text{h/d} \times 0.19 = 1,531\text{MWh/y}$
- GHG emission reduction = $1,531 \text{ MWh/y} \times 0.477 \text{ tCO}_2\text{eq/y} = 730 \text{ tCO}_2\text{eq/y}$ (rounding)

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- vi <https://www.maplecroft.com/risk-indices/climate-change-vulnerability-index/>
- vii The Climate Change Vulnerability Index evaluates the susceptibility of human populations to the impacts of climate extremes and changes in climate over the next three decades. It combines exposure to climate extremes and change with the current human sensitivity to those climate stressors and the capacity of the country to adapt to the impacts of climate change. Lagos rating – 0.81 with ranking from 0 ranking highest risk and 10 ranking lowest risk.
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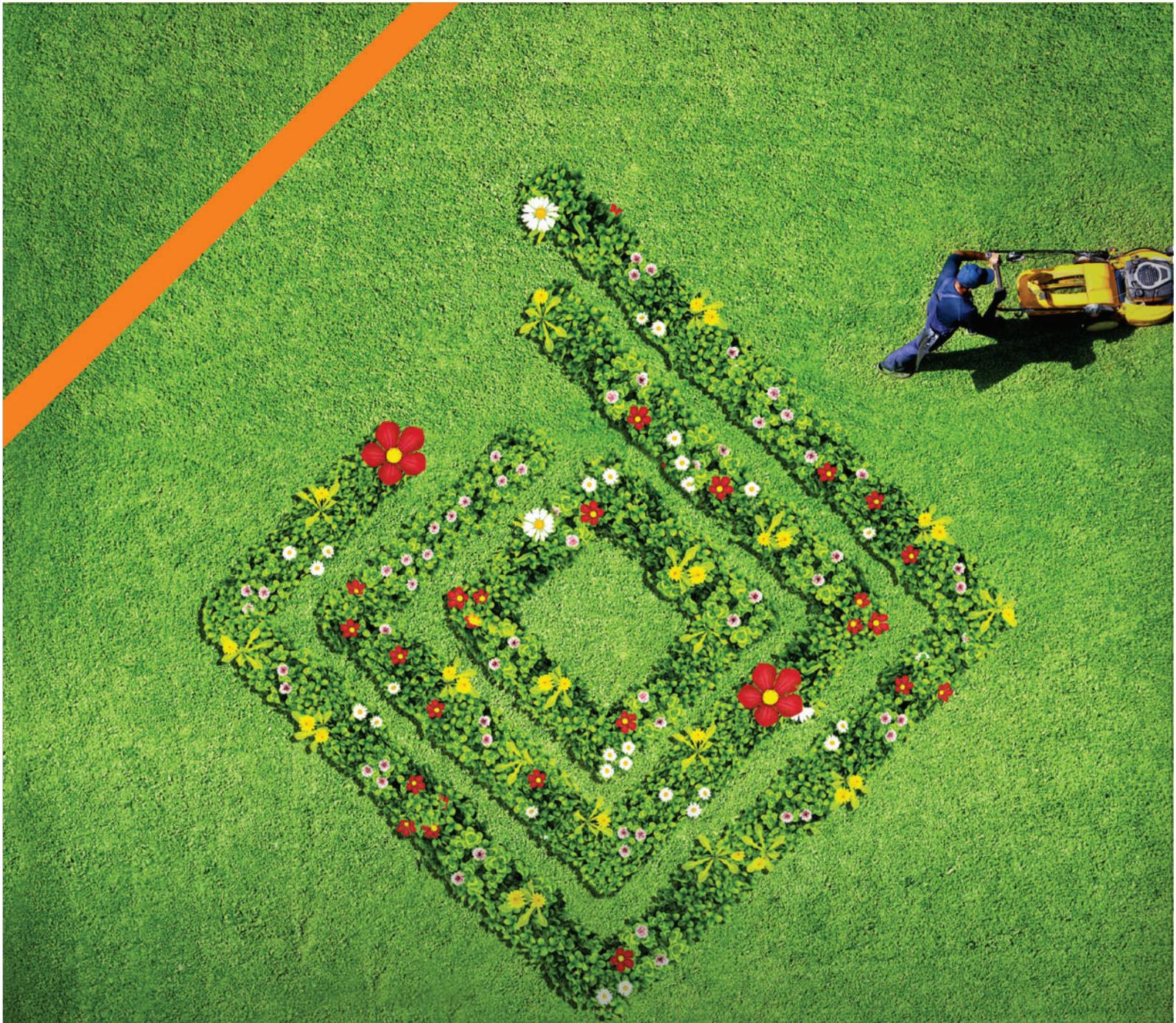
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