

ACCESSBANK PLC

HALF YEAR 2020 RESULTS PRESENTATION TO INVESTORS AND ANALYSTS

September 2020



more than banking

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1. Access Bank Overview

Access Bank at a glance (1)



Customers



44 Million+

Accounts

36 Million+

Customers

Presence and SBUs

We serve various markets including Nigeria, UK, Ghana, Gambia, Rwanda, Sierra Leone, Zambia and Congo DR, working through four SBUs



Corporate



Commercial



Business



Retail

Channels

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



3,080 ATMs



49,086 POS



656 Branches

Financial Performance

₦396.8bn

Revenue (H1 2020)



₦74.3bn

Profit before tax (H1 2020)

People

6,907
Professional
Staff



53%

47%

Access Bank at a glance (2)



Listings

THE Nigerian STOCK EXCHANGE (Primary Equity Listing)
RC: 2321

Irish Stock Exchange (\$300mn Senior Bond)

FMDQ (₦30bn (\$82mn) Local Bond)

LUXEMBOURG STOCK EXCHANGE (₦15bn (\$41mn) Green Bond)

Credit Ratings

MOODY'S A1

Fitch Ratings A+

STANDARD & POOR'S BBB
RATINGS SERVICES

Agusto & Co AA-

Shareholders

₦670bn
Shareholders' funds

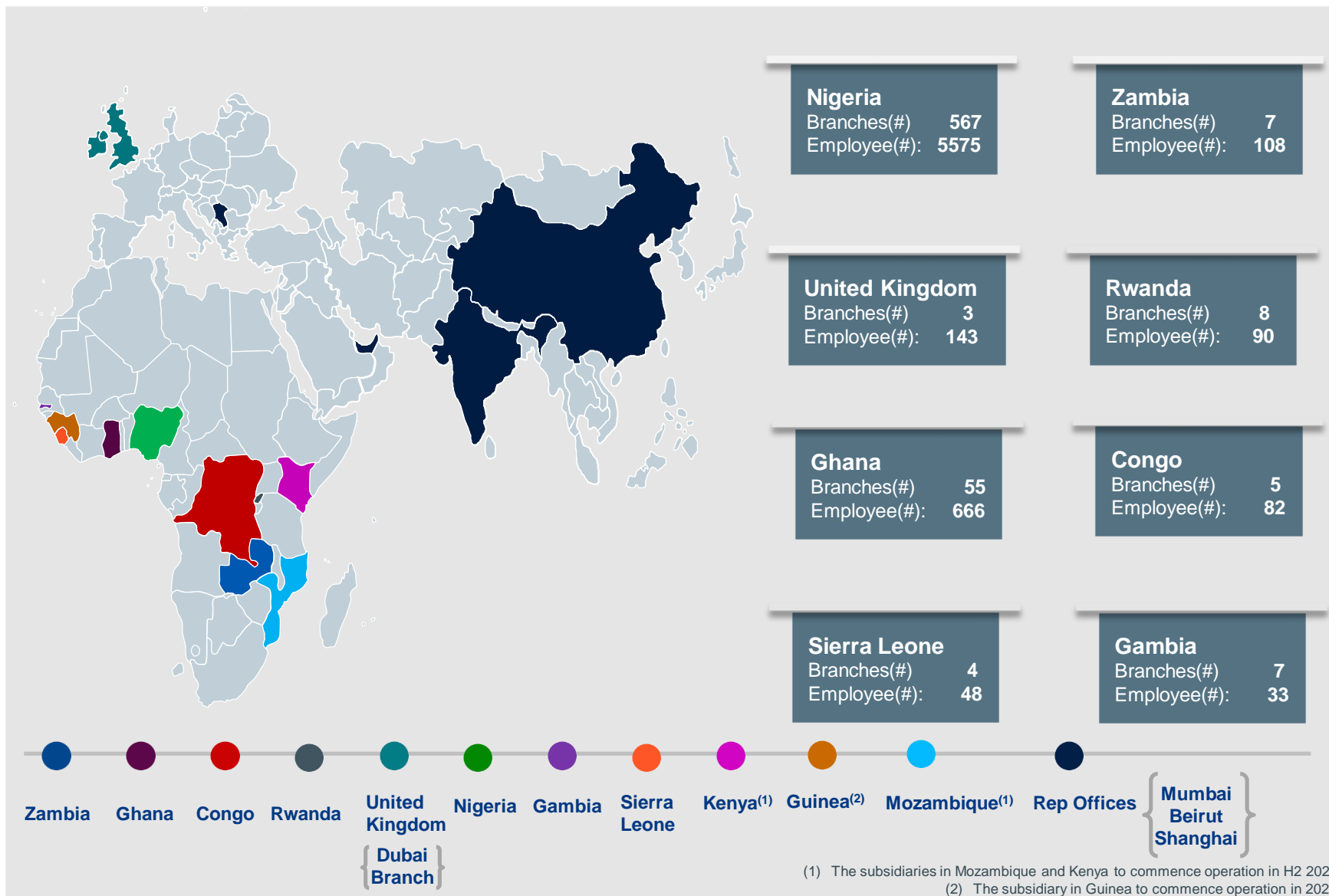


₦232.9bn
Market Capitalization
(June 2020)

Accolades

- Winner of the Int'l Finance Award 2020 for Best African Trade Finance Bank – **Access UK**
- Winner of the Capital Finance Int'l Award 2020 for Best Africa Trade Finance Bank – **Access UK**
- Winner Project of the Year (Health), Sustainability and Social Investment Award – **Access Ghana**
- Winner of the 2020 Global Finance Awards - **Best Trade Finance Provider, Nigeria**
- Winner of IFC Global Trade Awards – **Best Issuing Bank Partner, Africa**
- Winner of the International Investors Awards - **Best Bank, Nigeria**
- Winner of Leadership Newspaper Awards – **Bank of the Year**

Creating Africa's gateway to the world

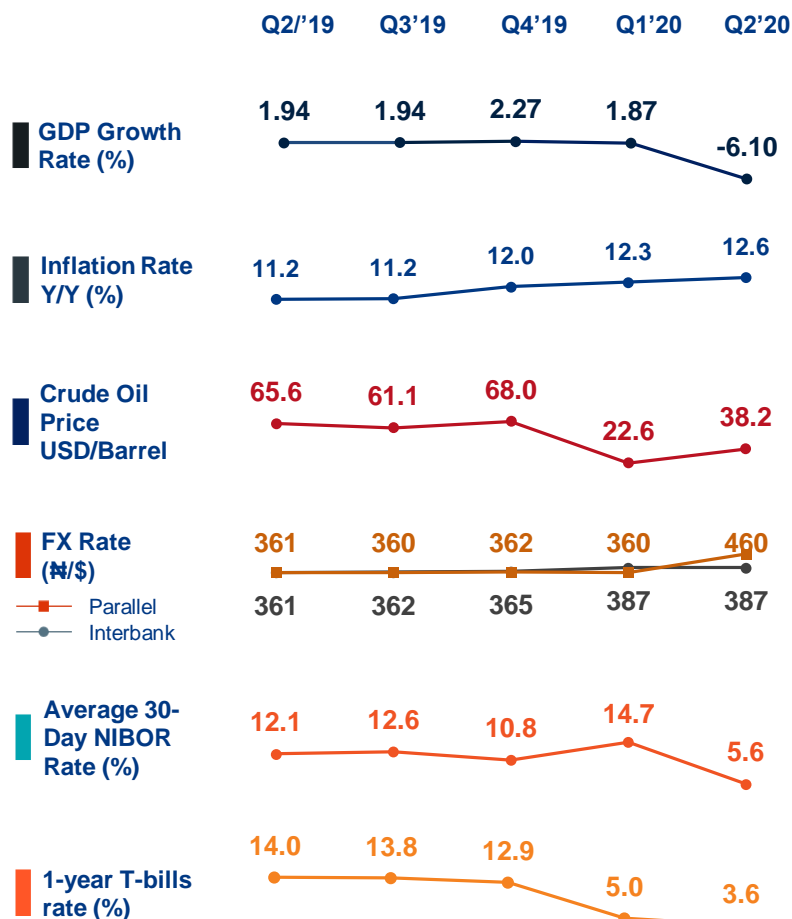


(1) The subsidiaries in Mozambique and Kenya to commence operation in H2 2020
 (2) The subsidiary in Guinea to commence operation in 2021

2. Domestic Operating Environment

Highlights of key macro-economic indices

Key Macroeconomic Indicators



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

Macro

- The GDP growth rate decreased by 6.10% y/y in Q2'20, ending a three-year trend of low but positive real growth rates recorded since the economic recovery in 2017. This reflects the impact of the pandemic, on both the global and local economy.
- Inflation continued the upward climb settling at 12.56% in June 2020 from 12.4% in May 2020. This is anticipated to trend higher due to supply chain disruptions and depreciation of the local currency.
- The price of Crude Oil per barrel decreased significantly y/y by \$27.38 since Q2'19. However, there was a 69% increase q/q as Crude Oil prices steadied at \$38.22 /BBL in Q2'20.
- FX rates across the parallel and NAFEX market increased to N460/\$ and N385/\$ on the parallel and Interbank markets, respectively. This signified a 28% increase in the parallel rate..
- Inter-bank rate on the 30-day NIBOR decreased significantly by 11.46% y/y from 13.4% (Q2'19) to 1.94% (Q2'20).
- Yield on government securities also declined by 75% y/y, due to the restriction of OMO securities instruments to banks and foreign investors.
- External reserves stood at \$36.2 billion as at Q2'20, indicating a 0.8% rise compared to Q1'20. IMF funding support as well as uptick in crude oil prices supported reserve accretion.

Highlights of key regulatory developments

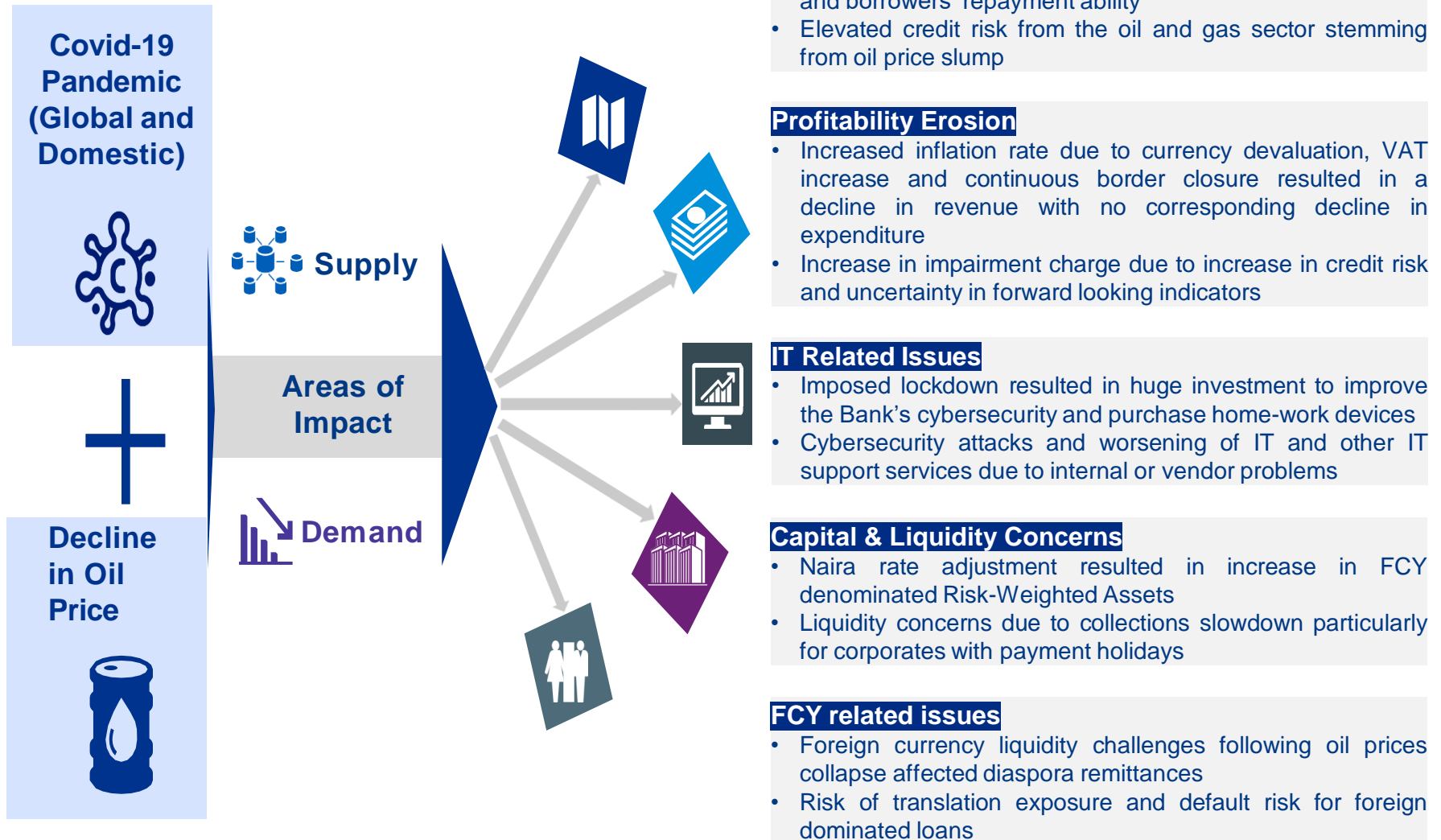
- The CBN granted all CBN intervention facilities a further moratorium of one (1) year on all principal repayments
- The CBN reduced interest rate on all applicable CBN intervention facilities from 9 to 5% per annum
- The CBN's Monetary Policy Committee revised the CRR upwards from 22.5% to 27.5%
- The FGN implemented the 7.5% Value Added Tax (VAT)
- The CBN approved regulatory forbearance for restructuring of loans of Deposit Money Banks (DMBs)



- The CBN's Monetary Policy Committee cut the benchmark interest rate by 100 basis points to 12.5%
- The CBN approved regulatory forbearance for the restructuring of credit facilities to Other Financial Institutions impacted by COVID-19
- The President approved the suspension of interest payment on debts owed by state governments
- The CBN and Financial Reporting Council of Nigeria (FRC) released guidelines on the impact of COVID-19 on financial reporting
- The FGN removed fuel subsidy across the country

3. The Twin Shock: Impact and Response

Impact of the “Twin Shock Effect” on the Bank



Managing the Financial Impact of COVID-19 on the Bank and our customers



Our Response:

Developing Group-wide Scenarios and Early Warning Analysis (Nigeria and Subsidiaries)

Macroeconomic & Socio-Political Shocks (Global & Domestic)

Assessed current global and local macroeconomic, social and political events. Developed different scenarios for possible future events/shocks (four macro scenarios)

Sector Impact

Established industry outlook scenarios and demonstrated how these would impact our obligors (four sectoral scenarios)

Obligor Impact

Analysed obligors based on the expected impact of these scenarios on their ability to meet their obligations as and when due

Management Action Steps

Established corrective management actions to proactively identify and resolve loan performance concerns and minimize negative impact on the Group

SME Business Support during the Pandemic



The Covid-19 pandemic has adversely affected businesses of all kinds- particularly SMEs. Liquidity has dried up and most entrepreneurs have closed shop, at least temporarily. As a way of showing our support to the continuity of our SME customers' businesses, we have taken a 5-pronged innovative approach which are:

- Digital initiatives on Beyond Banking Service (leveraging our "SME Zone" platform to host an intervention series on COVID-19)
- Moratorium on loan repayments (offered up to 3 months concession on principal/interest on existing loans)
- Access to working capital finance (disbursed 9mn under the newly introduced LATO mart initiative)
- Access to Market (EbonyLife Initiative) – Reward 13 loyal customers with a free 1-month advert on EbonyLife TV
- Engagements / Staying Closer – daily customer engagement by our Account Officers

4. Group Financial Performance

The Group's financial highlights



Profitability

₹'million	H1 2020	H1 2019 ⁽¹⁾	%Δ
Gross Earnings	396,757	324,376	22 ↑
Net Interest Income	126,207	155,146	19 ↓
Operating Income	265,059	202,296	31 ↑
Operating Expenses	(174,288)	(124,452)	40 ↑
Impairment Charges	(16,466)	(4,880)	237 ↑
Profit Before Tax	74,306	72,965	2 ↑
Profit After Tax	61,035	61,874	1 ↓



Balance Sheet

₹'billion	Jun. 2020	Dec. 2019 ⁽²⁾	%Δ
Net Loans and Advances	3,390	3,064	11 ↑
Total Assets	7,767	7,143	9 ↑
Customer Deposits	4,668	4,256	10 ↑
Shareholders' Funds	670	607	10 ↑



Prudential Ratios

Metrics	H1 2020	H1 2019	%Δ
After-Tax ROAE	19.1%	23.0%	3.9 ↓
Cost-to-Income (%)	65.8%	61.5%	4.2 ↑
	H1 2020	FY'19	%Δ
Capital Adequacy (%)	20.0%	20.0%	0
Liquidity (%)	44.7%	47.0%	2.3 ↓
Loan-to-Funding	59.1%	62.9%	3.8 ↓

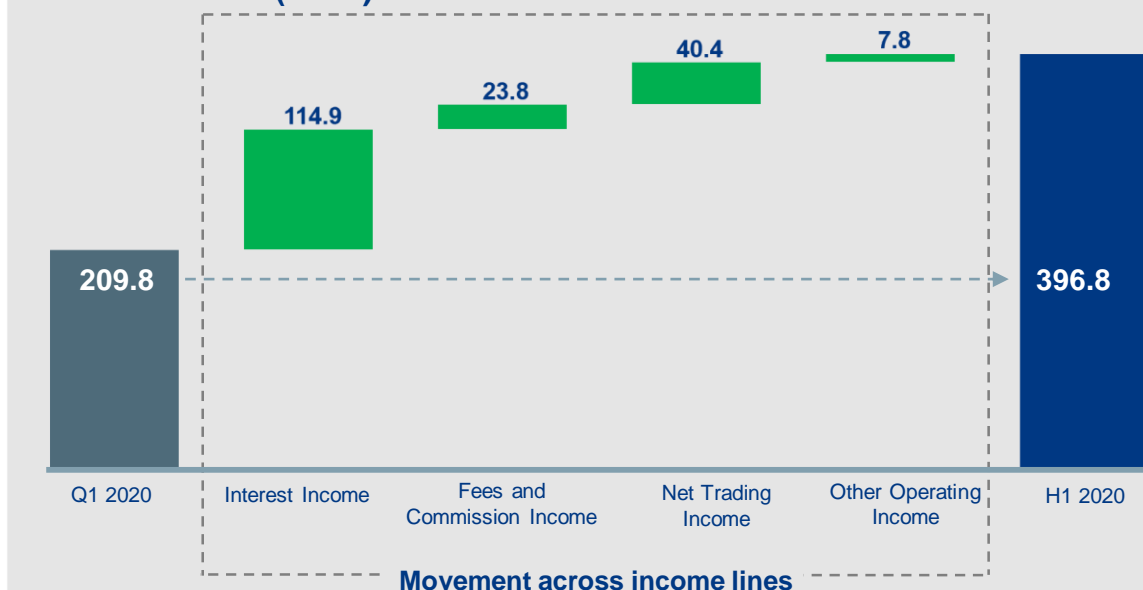
(1) H1 2019 figures have been restated

(2) December 2019 figures have been restated

Generating sustainable revenue across all income lines

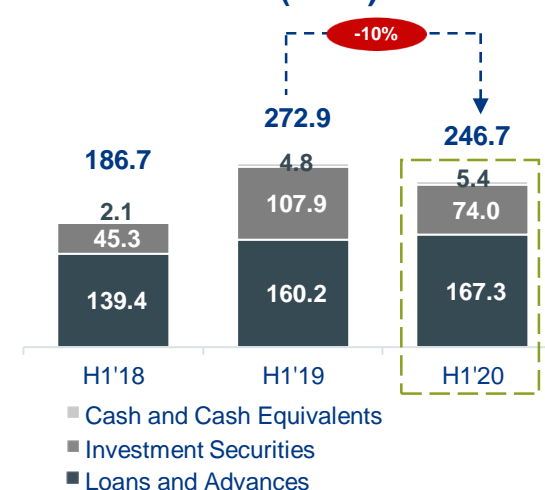


Gross Revenue (₦'bn)

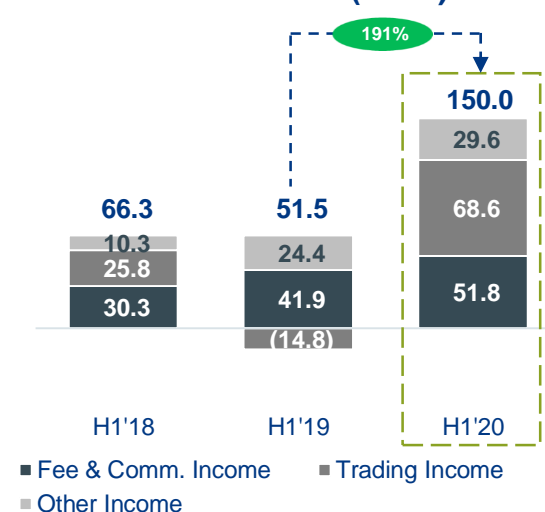


- Gross earnings grew 22% to 396.8bn in the period (H1'19: ₦324.4bn), comprising 62% in interest income and 38% in non-interest income.
- Interest income drivers (-10% y/y, H1'20: ₦246.7bn):
 - A 12% y/y growth in income from Cash and Cash Equivalents to ₦5.4bn (H1'19: ₦4.8bn), and a 4% growth in interest on Loans and Advances to customers to ₦167.3bn (H1'19: ₦160.2bn), underscored by the enhanced Cash and Cash equivalent and Loan portfolio
 - A 31% y/y decline in income from investment securities to ₦74.0bn (H1'19: ₦107.9bn), driven by a declining interest rate environment
- Non-Interest Income drivers (+191%y/y, H1'20: ₦150.0bn):
 - A 564% y/y growth in net trading income to ₦68.6bn from a loss in H1'19 of ₦14.8bn, on the back of a Net gain on derivatives and FX
 - A 24% y/y increase in Fee & Commission income to ₦51.8bn, largely underlined by income from increased transaction velocity across our Channels and other E-business (+151% y/y)
 - A 21% y/y increase in other operating income to ₦29.6bn, largely driven by strong recovery of ₦22.4bn (+60% y/y)

Interest Income⁽¹⁾ (₦'bn)



Non-Interest Income (₦'bn)



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

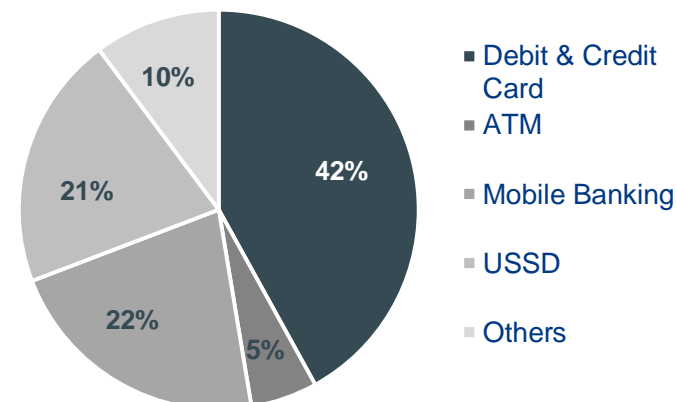
*The revenue figures for H1 2019 reflect revenue of Access Bank 3-months standalone and 3-month as a combined entity. Whereas, H1 2020 revenue figures reflect revenue for the combined entity for the 6-months period

Driving Group revenue growth through retail



- Our Retail Banking business grew by (+51% y/y) to contribute 24% of the Group's total revenue in H1 2020 at ₦97.6bn
- Retail commission increased by 60% y/y to 29.3bn (H1 2019: ₦18.3bn), on the back of the increased adoption of our channels in the period
- Debit and Credit cards contributed 42% of total channels revenue, driven by strong customer growth

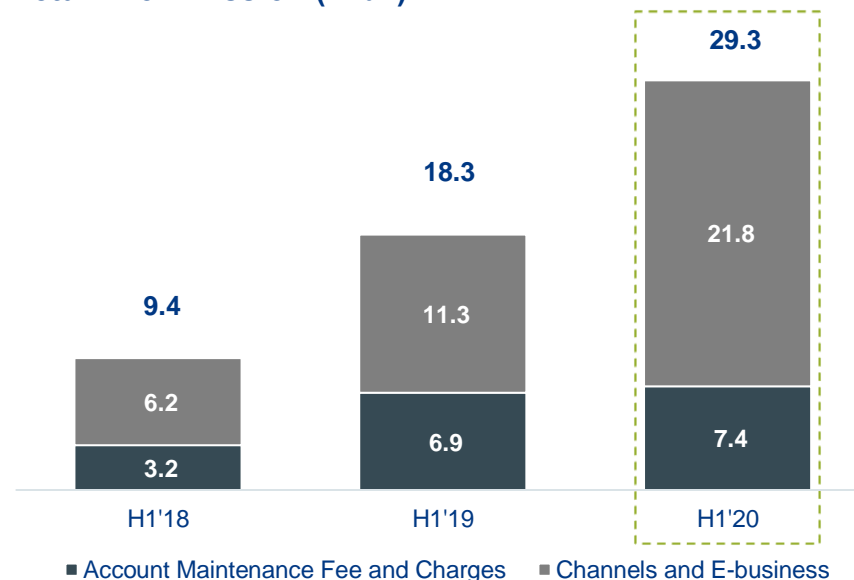
Retail Revenue from Channels (₦'bn)



Key Components of Retail Commission

<i>In billions of Naira</i>	H1'20	H1'19	%Δ
Channels & E-business	21.8	11.3	93%
Account Maintenance Fee and Charges	7.4	6.9	7%

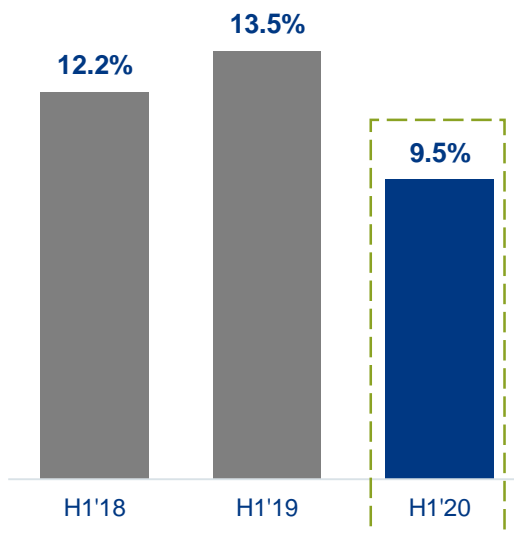
Retail Commission (₦'bn)



Resultant effect of performance on our margins

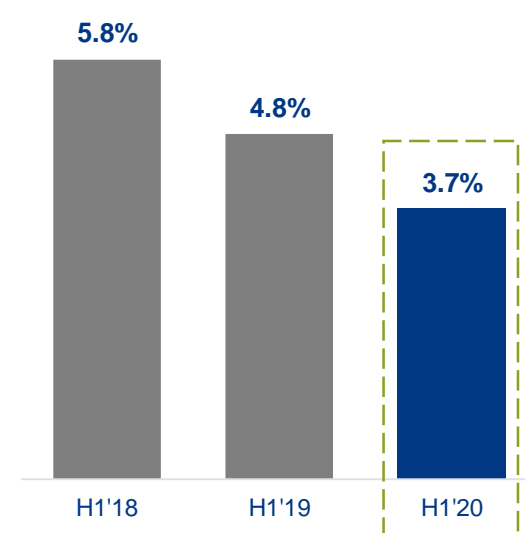


Yield on Assets (YoA)



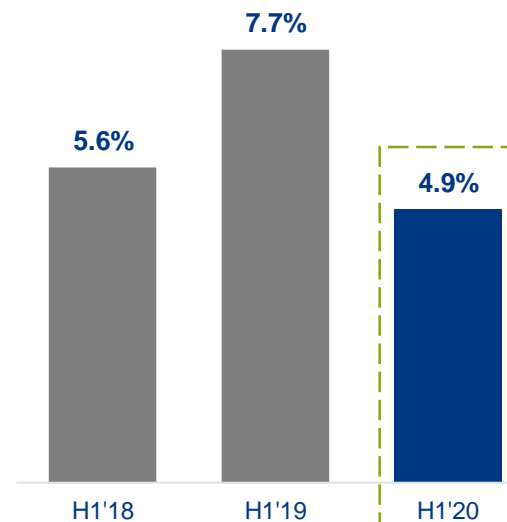
Depressed assets yields of 9.5% (-400bps y/y) in the period due to a declining yield on government securities. However, this has been cushioned by the decrease in CoF and yield on our retail lending. Thereby, reflecting the resilience of our retail business

Cost of Funds (CoF)



Average Cost of Funds decreased by 103bps y/y to 3.7%, benefiting from our growing low-cost deposit base. Our target for FY 2020 has been revised to 2.5%

Net Interest Margin (NIM)

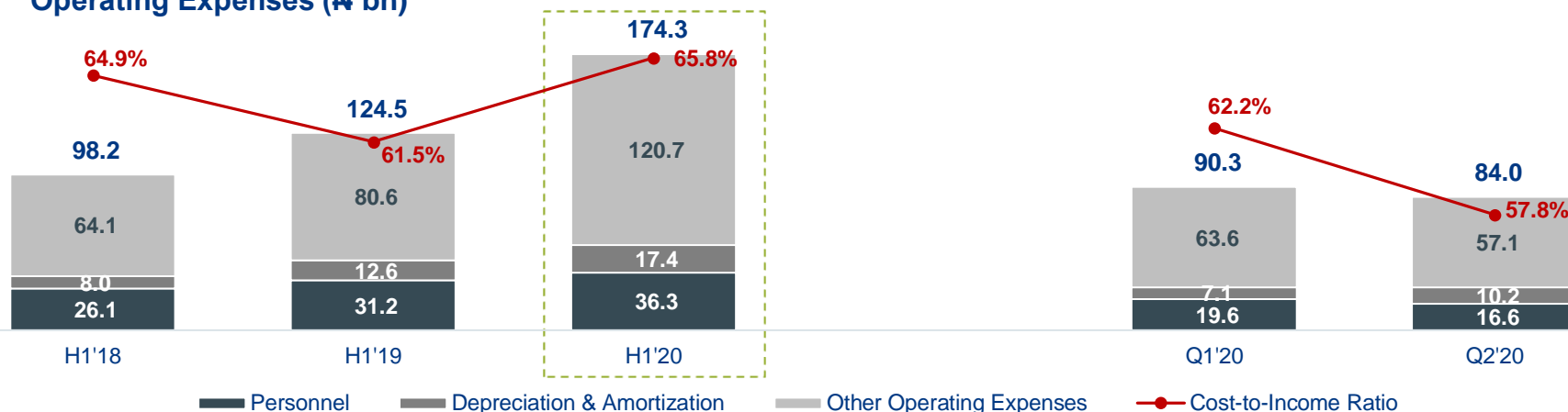


Net Interest Margin declined by 284bps y/y to 4.9%, underscored by the significant drop in yields. As our loans continue to improve, with moderation on CoF, we will see an improvement in our NIM.

Higher cost due to the scale of our business



Operating Expenses (₦'bn)



Key Components of Total Operating Expenses

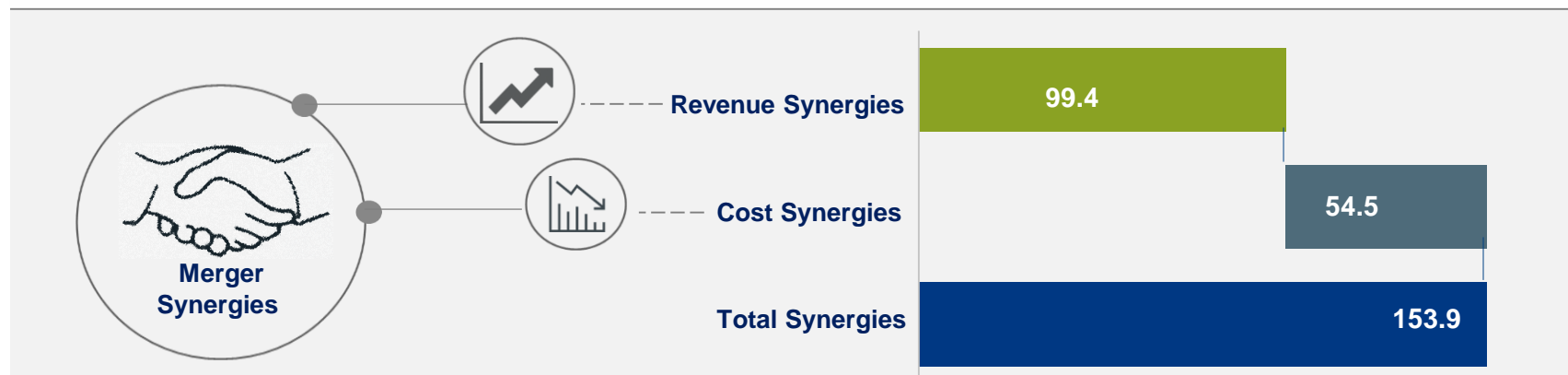
<i>In billions of Naira</i>	H1'20	H1'19	%Δ
Personnel, Recruitment and Training	38.6	34.0	13%
AMCON	35.4	22.6	56%
Depreciation and Amortisation	17.4	12.6	37%
IT and E-business expenses	12.1	6.3	91%
Outsourcing Costs	11.4	6.1	86%
Administrative expenses	7.7	3.9	100%
Deposit Insurance Premium	7.5	5.8	29%

*The cost figures for H1 2019 reflect cost of Access Bank 3-months standalone and 3-month as a combined entity. Whereas, H1 2020 cost figures reflect cost for the combined entity for the 6-months period

- Growth in Operating expense by 40% y/y to 174.3bn (H1'19; ₦124.5bn), reflecting the impact of the enlarged franchise and the inflationary environment
- Actual cost growth is 6% y/y on a common-sized basis (full 6months of Diamond and Access Bank for 2019), which is well below inflation rate 12.6%
- Operating expense declined by 7% q/q to ₦84bn, reflecting the results of our cost transformation initiative
- A 56% y/y growth in AMCON surcharge, reflecting the growth of the Bank's asset base, accounting for 20% of total operating cost
- IT and E-Business expenses surged by 91%, majorly due to increased investment in creating IT efficiency and increasing transaction volumes on E-business
- Accordingly, Cost to Income ratio increased by 423bps y/y to 65.8% (H1'19: 61.5%), but decreased by 437bps q/q due to efficient cost-saving efforts

Realizing our merger synergy targets

2019-2021 Run Rate and One- Off Synergies (NGN, billions)



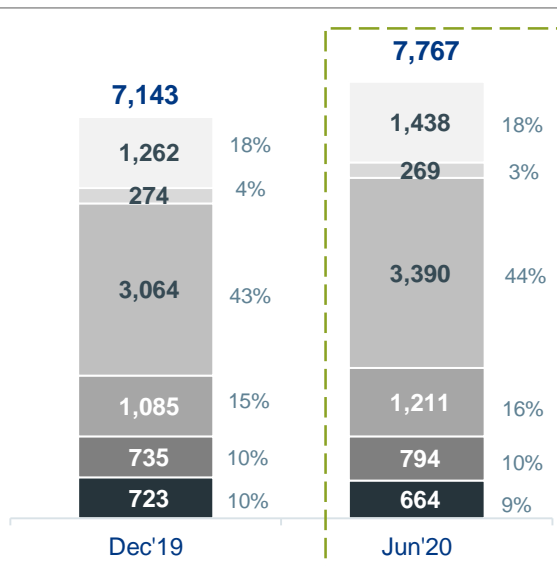
Key Synergies Realized as at June 2020

		Synergy Value, NGN, million
Risk Management	Loan Recoveries	60,748
Treasury	Mobilization of low cost liability funds	17,985
Enterprise Business	Sale of assets and contract renegotiation	6,662
External Communications	Significant savings in advertising and promotions costs	377
IT and Operations	IT integration, data center consolidation e.g. Duplicate software, programs, and infrastructure, etc.	956
Financial and Legal	Depreciation Rate Alignment, elimination of audit and credit rating fees, etc.	1,289
Customer Experience	Removal of annual REAL maintenance fee	695
SBU and Branch Operations	Savings on CBN Cash Deposit and Bullion Transportation Fees, etc.	6,073
TOTAL SYNERGIES		94,785

Diversifying and growing our balance sheet

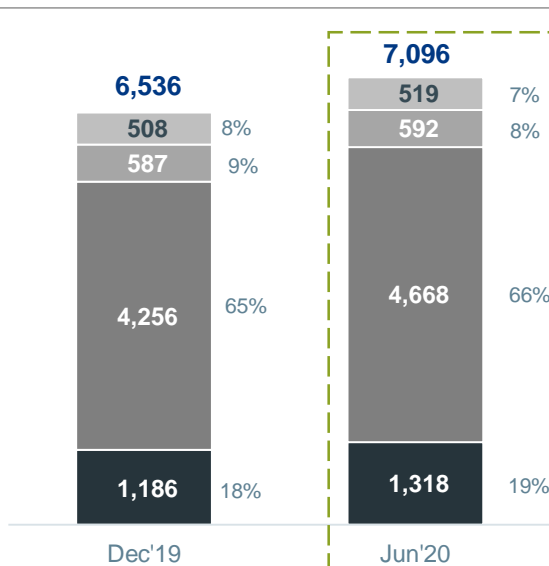


Asset Mix (₦'bn)



- Other Assets
- Fixed & Intangible Assets
- Loans & Advances
- Investment Securities
- Trading & Pledged Assets
- Cash & Cash Equivalents

Total Liabilities (₦'bn)



- Other Liabilities
- Interest-Bearing Borrowings
- Deposits from Customers
- Deposits from Financial Institution

- A well diversified balance sheet Structured for efficiency and improvement in earnings, with a 9% YTD growth to ₦7.77trn
- Comprised of interest earning assets and non-interest earning assets mix of 70% and 30% respectively
- The Asset base improved on the back of:
 - An 81% YTD increase in our Derivative portfolio to ₦259.6bn
 - A 12% YTD growth in Investment Securities to ₦1.21trn
 - An 11% YTD growth in Loans and Advances to ₦3.39trn, reflecting our continuous drive to improve core loan growth
- The Liability base improved largely underscored by:
 - A 10% YTD growth in total Deposit Liabilities to ₦5.99trn, boosted by our continuous deposit mobilization drive
- Strong ratios in the period, on the back of a sustainable and strategic approach to Balance Sheet management in the period

Capital Adequacy
20.0%
Dec'19: 20.0%

Liquidity
44.7%
Dec'19: 47.6%

NPL Ratio⁽¹⁾
4.4%
Dec'19: 5.8%

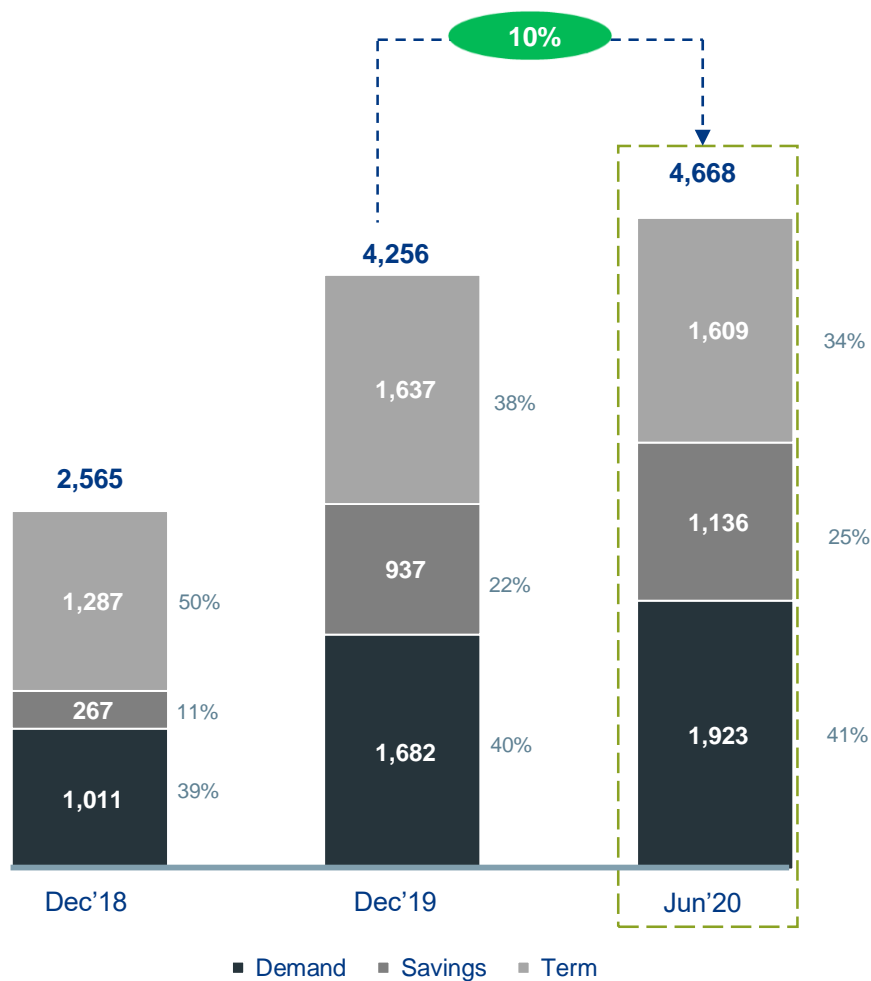
NPL Coverage⁽²⁾
117%
Dec'19: 102%

(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(including regulatory risk reserves) for Impairment Losses in the period divided by Total Non-Performing Loans

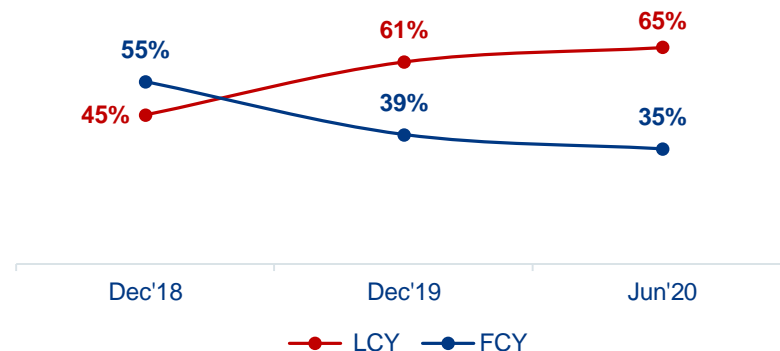
Improving our deposit mix with Low-Cost Deposits



Customer Deposits (₦'bn)



Customer Deposits by Currency

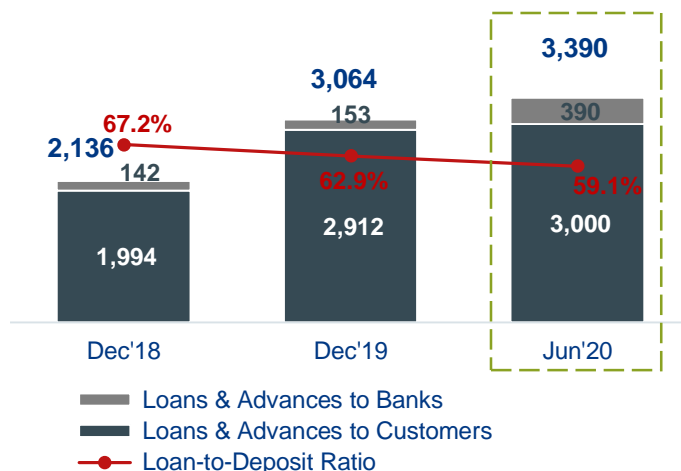


- Customer deposits increased by 10% YTD to ₦4.67trn in the period (Dec'19: ₦4.26trn), reflecting the impact of our continuous and deliberate deposit mobilization
- CASA⁽¹⁾ account deposits grew 17% YTD to ₦3.1trn (Dec'19: ₦2.62trn) accounting for 66% of customer deposits. This is largely as a result of leveraging innovative digital technology and financial inclusion to mobilize sustainable low-cost deposits
- Total savings deposits crossed the ₦1trn threshold in the period.
- Improved Customer Deposit mix, comprised of 65% local currency deposits and 35% foreign currency deposits (Dec'19; 61%:39%), further reducing our foreign currency liabilities
- Subsidiary contributions of ₦1.16trn accounted for 18% of total group customer deposits in the period (Dec'19: ₦694.6bn). UK and Ghana jointly accounted for 88% (Dec'19: 83%) of total subsidiary customer deposits and 16% of total deposits

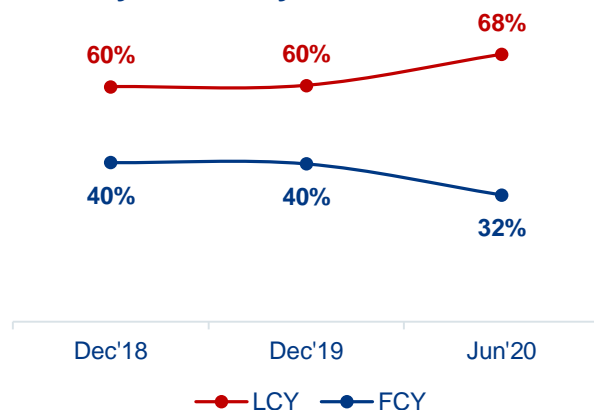
(1) CASA: Current Accounts and Savings Accounts

Maintaining a well diversified loan portfolio

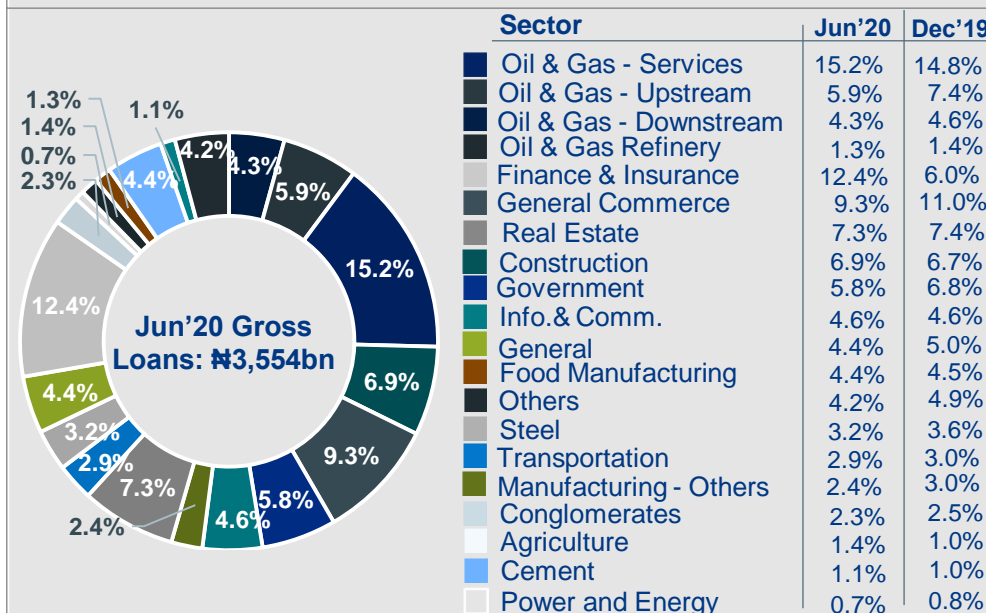
Net Loans and Advances (₦'bn)



Loans by Currency



Gross Loan Distribution by Sector



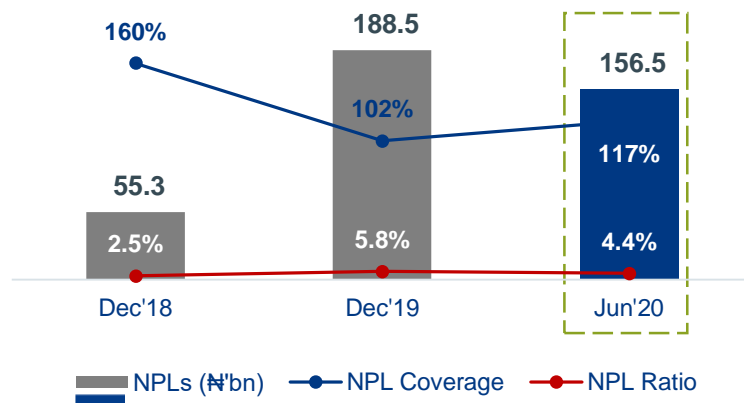
- Well diversified gross loan book of ₦3.55trn as at Jun'20 (Dec'19: ₦3.26trn), up 9% YTD reflecting the impact of our drive to improve core loan growth
- FCY exposures dropped by 80bps to 32% of the total loan portfolio in the period, due to deliberate efforts at de-risking the portfolio
- Loan-to-Funding ratio stood at 59.1% as at Jun'20 (Dec'19: 62.9%), including the 150% weight on growth in retail exposures

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

Improving asset quality of our loan portfolio



NPL Analysis



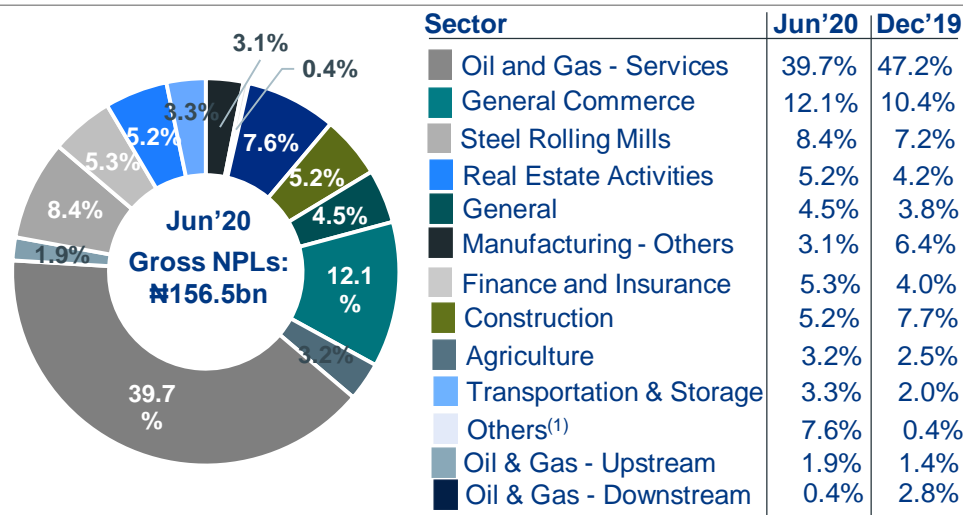
- Continued improvement in Asset quality following the merger inflated NPL ratio at FY'19
- NPL ratio down 140bps YTD to 4.4% in Jun'20, driven by write offs, loan repayments and robust risk management approach
- We consider this level sustainable and do not expect further deterioration in asset quality
- Adequate NPL coverage ratio (including regulatory risk reserves) of 117% in the period, (Dec'19: 102%)

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

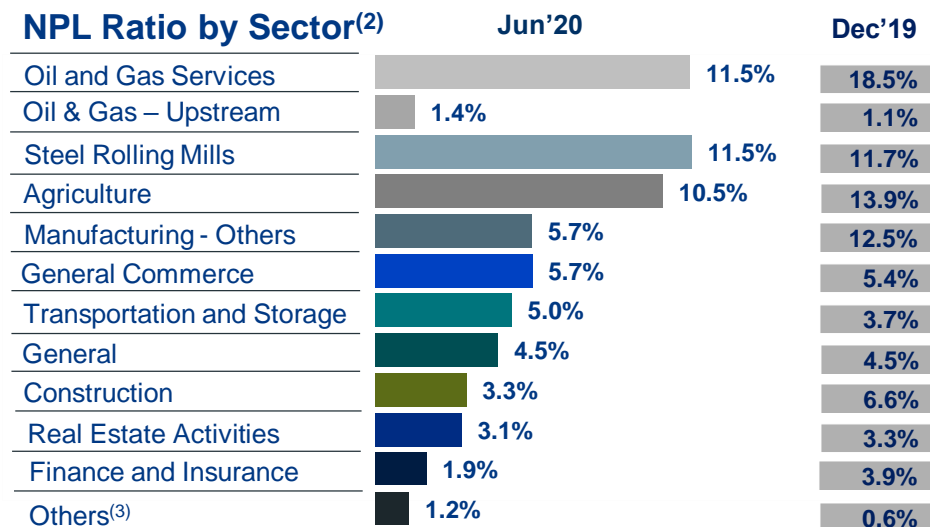
(2) Measures the portion of the total credit exposure by sector that is impaired. Formula: $NPL_{(Sector)} / Total\ Gross\ Loans_{(Sector)}$

(3) The following sectors are included in "Others⁽²⁾": Education, Government, Information and Communication, Basic Metal Products, Cement, Conglomerates, Flourmills and Bakeries, Food Manufacturing, Oil and Gas – Downstream, Oil and Gas - Refinery, Power and Energy

NPL Distribution by Sector



NPL Ratio by Sector⁽²⁾



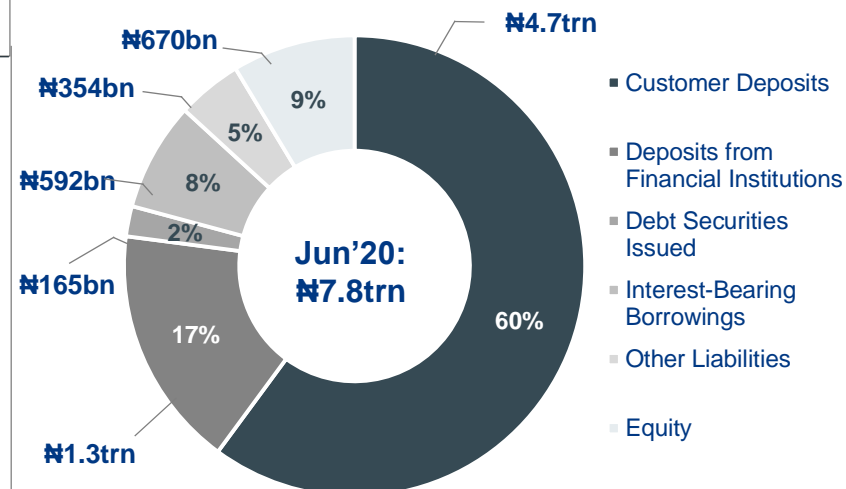
Maintaining strong capital and liquidity levels



Capital Adequacy Computation – Basel II

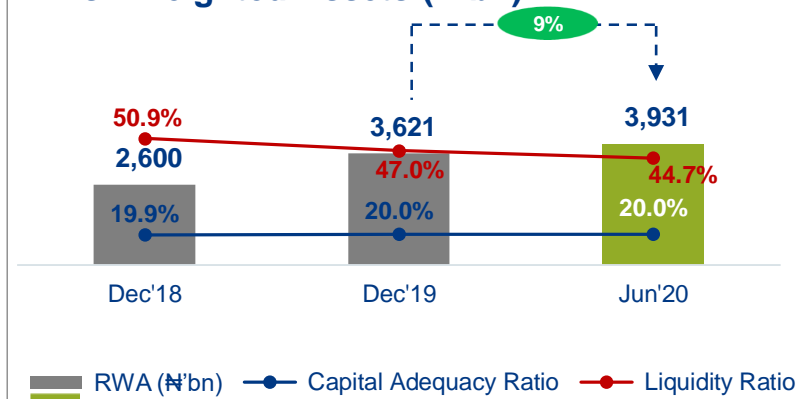
Underlying in ₦'m	Jun'20 ⁽¹⁾	Dec'19 ⁽¹⁾	%Δ
Tier I Capital	627,241	581,988	8
Tier II Capital	160,782	143,095	12
Total Regulatory Capital	788,023	725,084	9
Credit Risk	3,252,549	2,848,830	14
Operational Risk	616,578	616,578	0
Market Risk	62,364	176,847	(65)
Risk-Weighted Assets	3,931,492	3,621,011	9
Capital Adequacy			
Tier I	16.0%	16.1%	
Tier II	4.0%	3.9%	
Total	20.0%	20.0%	

Funding Sources



- Capital Adequacy Ratio (CAR) reflecting Day1 IFRS 9 transitional adjustment stood at 20.0% (Dec'19: 20.0%), while the full impact CAR remained well above regulatory minimum at 18.0%
- Tier II capital increased by 12% YTD driven by the increase in other comprehensive income
- Other comprehensive income stood at ₦33.9bn (Dec'19: ₦14.6bn)
- Liquidity ratio in the period of 44.7% (Dec'19: 47.0%) remained well in excess of the regulatory minimum

Risk-Weighted Assets (₦'bn)



(1) Capital Adequacy computation showing adjusted impact of regulatory transition arrangement of IFRS 9 implementation

Improving contribution from our Subsidiaries

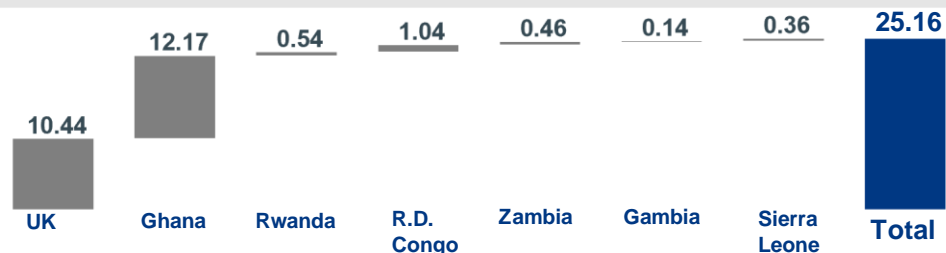
Financial Highlights

Underlying in ₦'million	United Kingdom	Ghana	Rwanda	R. D. Congo	Zambia	Gambia	Sierra Leone
Operating Income	17,221	19,751	1,849	3,467	1,650	527	814
Profit Before Tax	10,442	12,168	544	1,044	461	135	363
Total Assets	908,052	372,254	46,371	75,406	38,252	21,046	11,031
Loans and Advances	707,425	61,692	9,991	21,429	4,349	1,993	751
Total Deposits	557,219	75,021	10,066	17,964	4,566	1,237	842

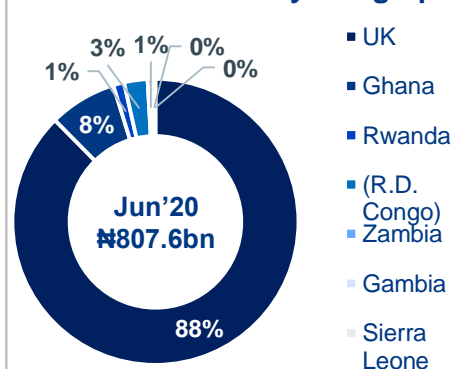
Key Messages

- Subsidiaries contribution to the group's performance stood at 34%y/y, recording total subsidiaries' PBT of ₦25.2bn up 20% y/y (H1'19: ₦21.0bn)
- UK and Ghana accounted for 90% of total H1'20 subsidiaries' PBT, with an average Return on Equity of 13% and 29% respectively
- Total loans for subsidiaries stood at ₦807.6bn (+21% YTD), contributing 24% of total net loans for the group
- Total deposits from subsidiaries amounted to ₦1.16trn (+6% YTD), contributing 19% of total group deposits
- Total assets from subsidiaries stood at ₦1.47trn

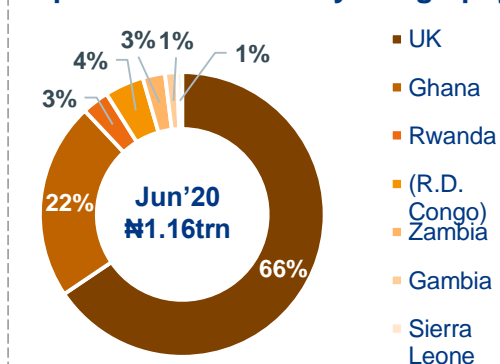
Profit Before Tax by Subsidiary (₦'bn)



Loan Contribution by Geography



Deposit Contribution by Geography



5. Retail Performance Review

Continuous improvement across our Retail Banking metrics



Our retail Bank has several value propositions tailored to over **42** million account holders

CONSUMER BANKING



Mass market



Mass Affluent



Private Banking

EMERGING BUSINESSES



Micro Enterprise



Small Enterprise



Medium Enterprise

51% y/y growth in Retail Banking Revenue

₦46bn digital loan disbursed

2.3mn new digital customers acquired

2.3mn new subscriptions to our mobile banking platform

₦29.3bn Channels and E-business income

2.9mn customers acquired through Financial Inclusion

₦1,136bn savings account deposit

37,000+ financial inclusion agents

8mn USSD (*901) users

4.3mn newly issued debit cards

9.2mn unique users on the mobile app platform



XclusivePlus
by **access**

901
BANKING MADE EASY

access CLOSA



Dreamville DiamondXtra

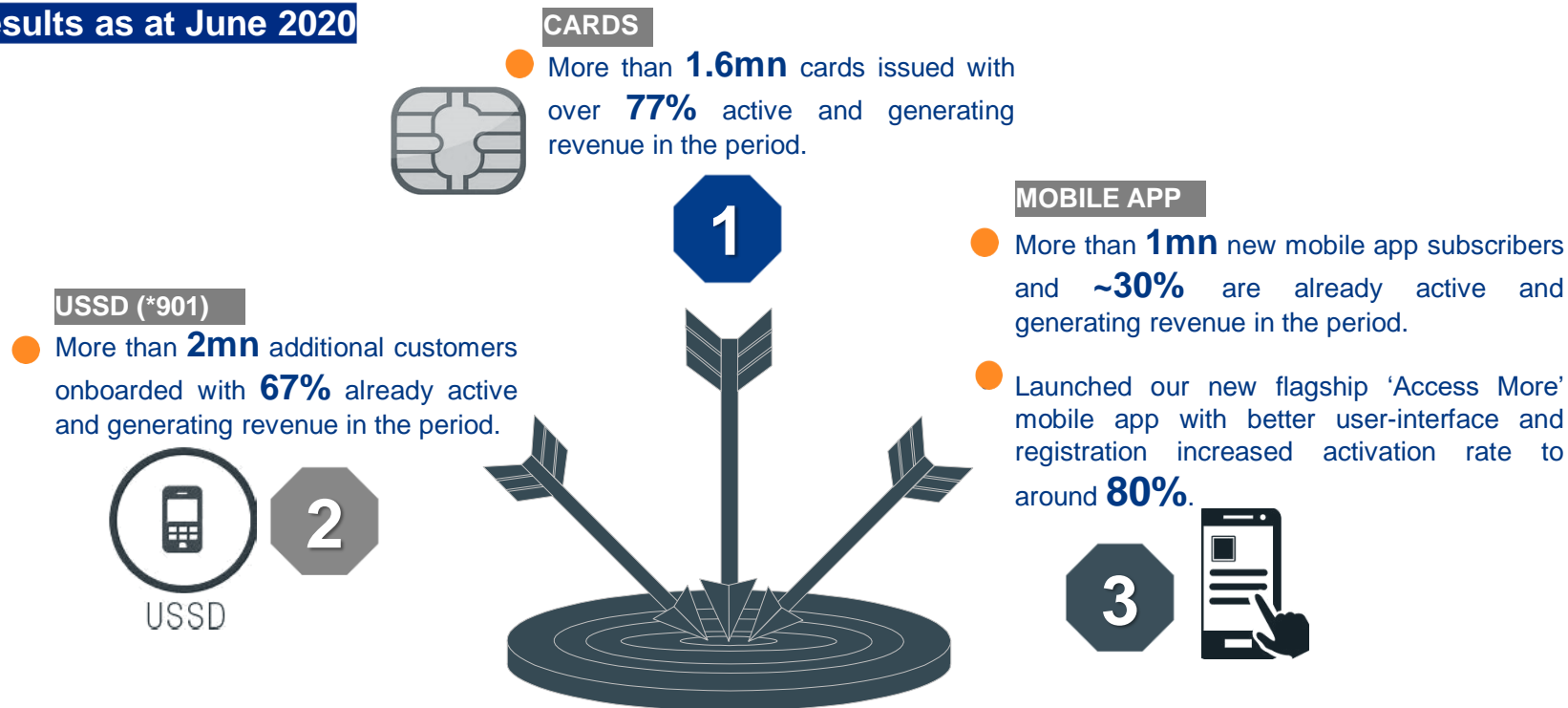
Driving channels adoption through our “Grand Prix” campaign



An enterprise-level campaign focused on harnessing our network and people to improve customer engagement and drive channel adoption.

The year-long strategy recognizes the need to educate customers and demonstrate the benefits of digital banking (through cards, USSD or mobile) and was particularly helpful to our customers as COVID-19 reduced physical movement and branch visits.

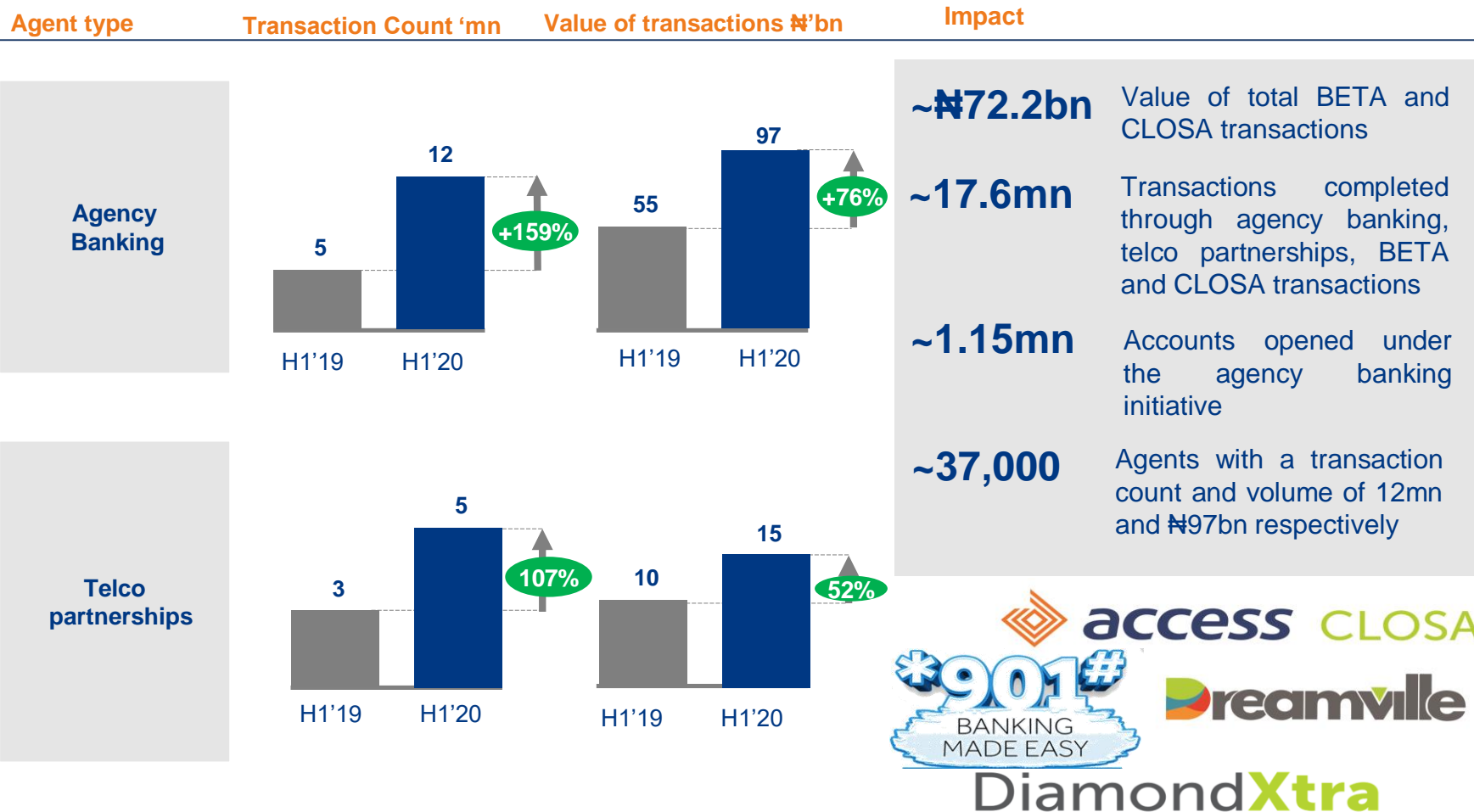
Results as at June 2020



Enhancing performance across our Financial Inclusion initiatives



Our financial inclusion strategy is underpinned by a strong focus on agency banking and through partnerships. Our partnership with the two largest telecommunications providers in Nigeria enables us to reach mass customers in rural and remote areas while our in-house BETA and CLOSA agency banking solutions augment branch capacity and bring banking services closer to the market.



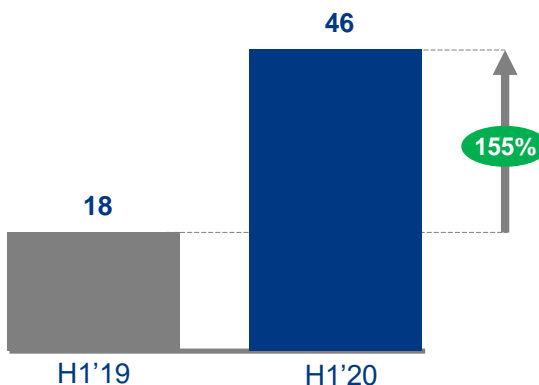
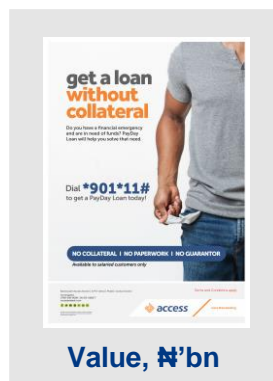
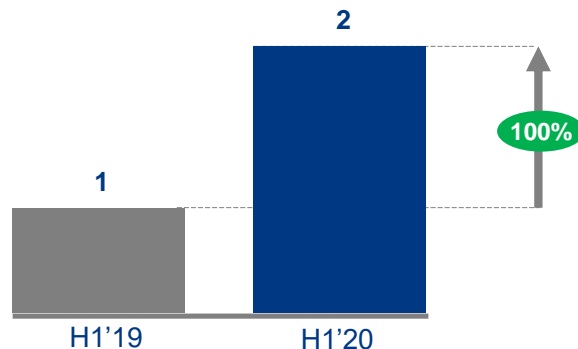
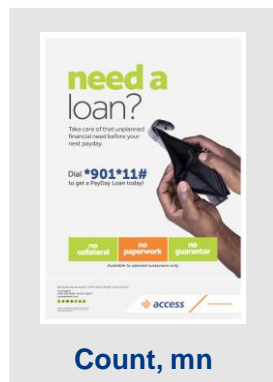
Increasing scale and velocity of our digital lending



We are leveraging digital technology to bring our consumer lending business to scale. This enables the bank to lend smaller amounts, for short periods, to a broader set of customers. We were able to lend to offer 2 million loans in the first half of 2020 through the digital lending business.

Count and value

Impact



Statistics

- 4 product offerings comprising of PayDay Loan, Small Ticket Personal Loan, Salary Advance and Device Financing
- ~₦46bn disbursement, a 155% y/y growth from ₦18bn in H1'19
- ~2mn digital loans in the year, a 100% y/y increase from 1mn in H1'19

Convenience

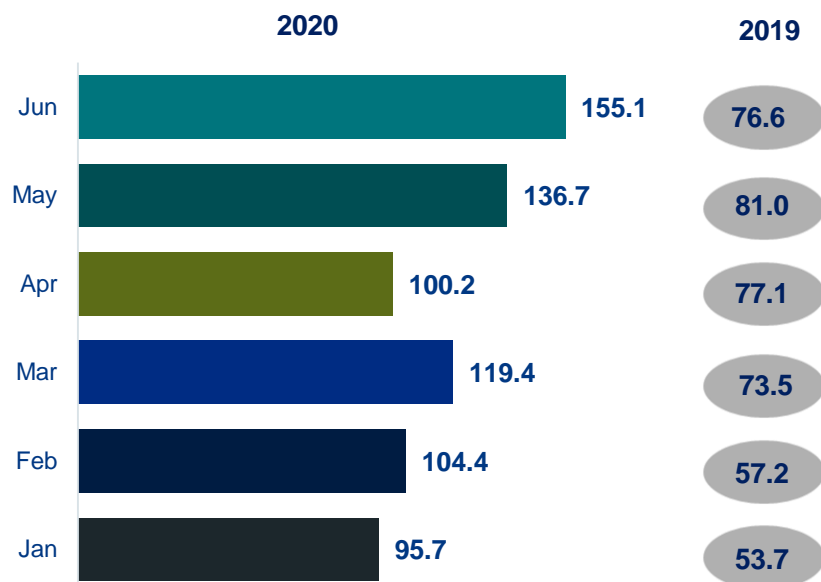
- Customers can access loans through mobile phones in < 1 minute using a USSD code
- Accessible to different types of earners; boosting financial inclusion.

Sustained growth in our USSD channel



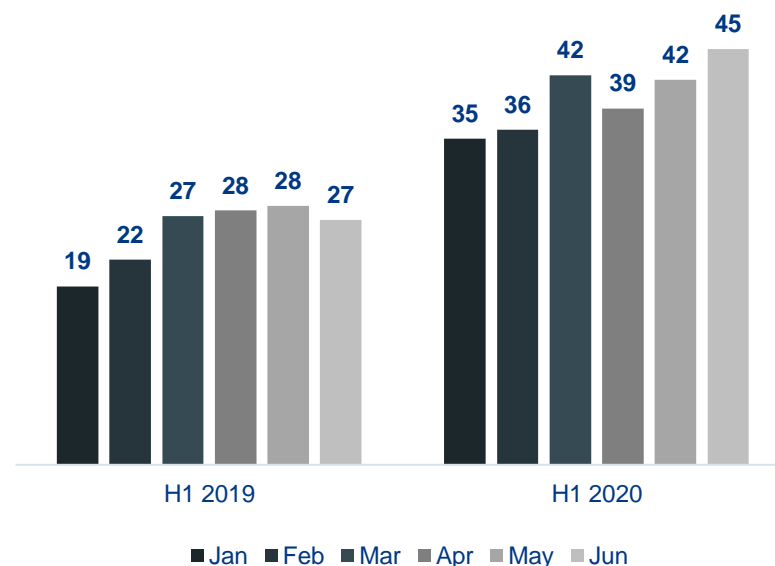
- Total number of USSD unique Users grew by 33% YTD from 6 million in Dec. 2019 to 8 million in June 2020.
- Total number of *active Users on the USSD platform also increased by 1.8 million users (43% YTD) from 4.1 million in Dec. 2019 to 5.9 million in June 2020.

USSD Value (₦'bn)



Total Value in HY 2020 : ₦711.49bn
 Total Value in HY 2019 : ₦418.12bn
 % Growth (y/y) : 68%

USSD Volume (mn)



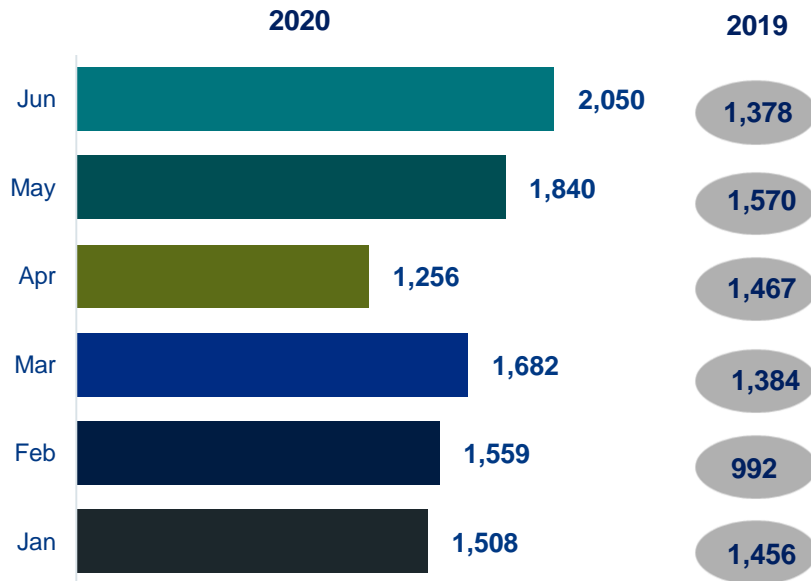
Total Volume in HY 2020 : 239.87 million
 Total Volume in HY 2019 : 151.05 million
 % Growth (y/y) : 59%

Increasing adoption of our mobile banking channel



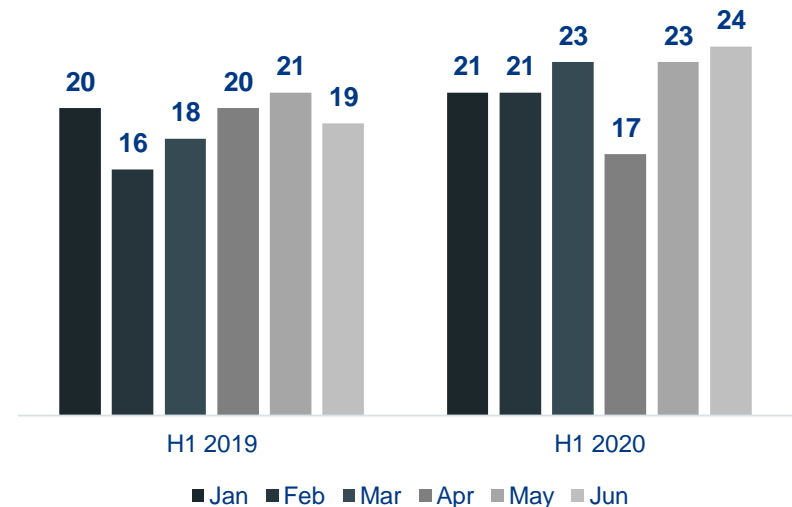
- Total number of Mobile unique Users grew by 46% YTD from 6.2 million in Dec. 2019 to 9.2 million in June 2020.
- Total number of active Users on the mobile app platform also increased by 0.9 million users (35% YTD) from 2.7 million in Dec. 2019 to 3.7 million in June 2020.

Mobile Banking Value (₹'bn)



Total Value in HY 2020 : ₹9,894.28 billion
 Total Value in HY 2019 : ₹8,264.07 billion
 % Growth (y/y) : 20%

Mobile Banking Volume (mn)



Total Volume in HY 2020 : 127.9 million
 Total Volume in HY 2019 : 112.9 million
 % Growth (y/y) : 13%

Driving transaction income through enhanced channels transaction velocity



All channels experienced growth y/y except for Cards and ATM. Channels transactions reflect the impact of movement restriction and economic uncertainty of the Covid-19 Pandemic.

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

Channels	Transaction Count H1'20 (mn)	Transaction Count H1'19 (mn)	YonY Growth	Transaction Value H1'20 (₹'bn)	Transaction Value H1'19 (₹'bn)	YonY Growth
Debit/Credit Card	218	330	34%	1,952	2,892	33%
POS	48	28	71%	362	239	51%
Mobile & Internet Banking	154	117	32%	9,720	8,758	11%
ATM	69	108	36%	798	993	20%
*901	240	207	16%	713	422	69%
Agency Banking & Telco Partnership	18	7	141%	111	64	73%
Digital Loan	2	1	100%	46	18	155%
Total	731	699	5%	13,591	13,322	2%

6. FY 2020 Outlook and Targets

Key Priorities for 2020

We will continue to:

Extract value from new and existing accounts and migrate customers to alternative channels to enhance transaction banking income



Reduce operating cost by aggressively executing strategic cost saving initiatives



Culture an aggressive recovery drive and decisively deal with challenged facilities



Significantly increase the productivity of people and resources to enhance operations efficiency

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



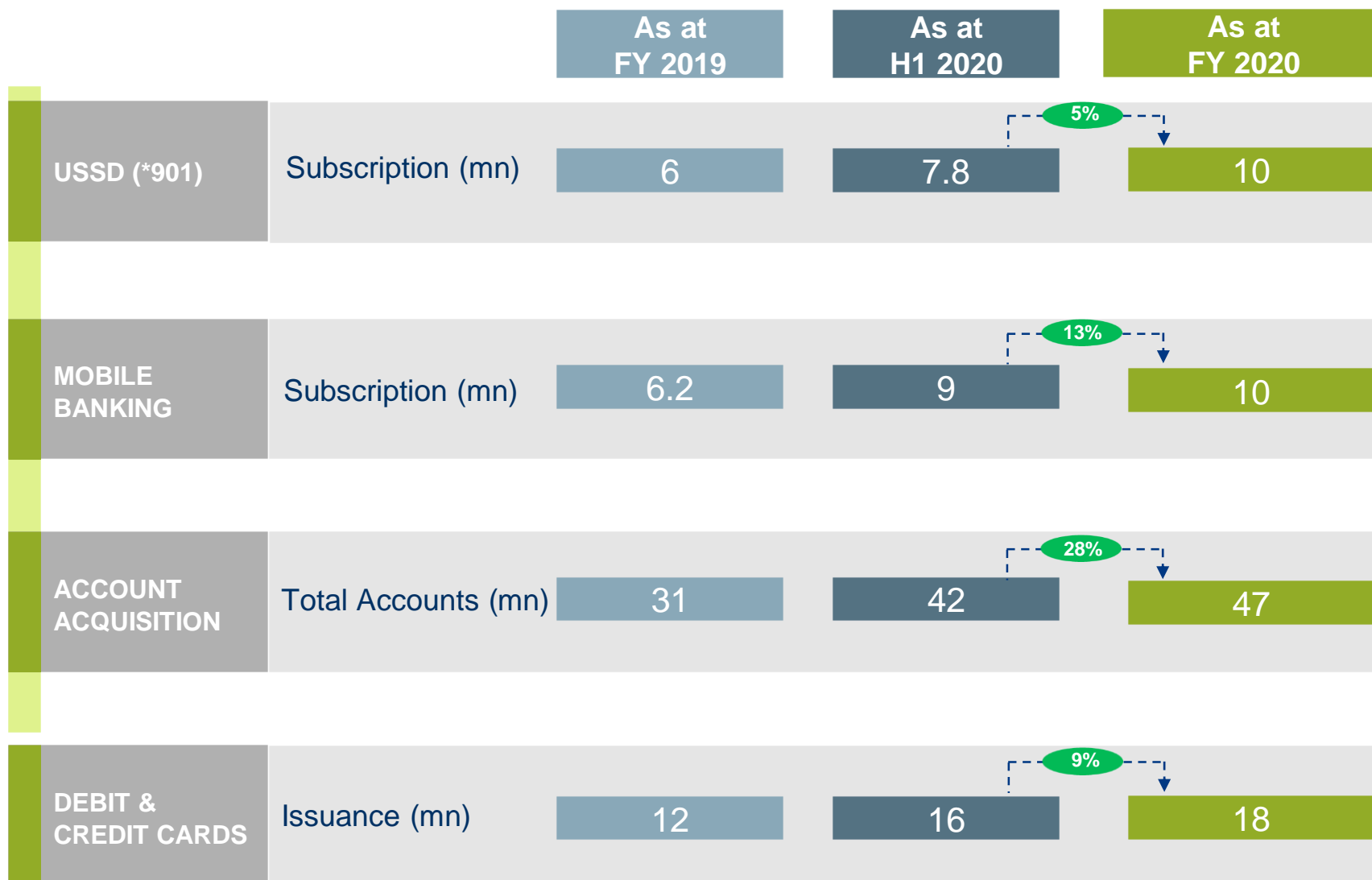
Increased focus on asset quality

FY 2020 Financial Targets (Group)



		2020 Targets	H1'20 Actuals	2020 Revised Targets
PROFITABILITY	Return on Equity (%)	20.0 - 25.0	19.1	20.0 - 25.0
ASSET QUALITY	Cost of Risk (%)	1.2 - 1.5	0.9	1.2 - 1.5
	NPL Ratio (%)	<5.0	4.4	<5.0
EFFICIENCY	Cost-to-Income Ratio (%)	55.0 - 60.0	65.8	55.0 - 60.0
	Net Interest Margin (%)	8.0	4.9	6.0
	Cost of Funds (%)	≤3.5	3.7	≤2.5
PRUDENTIAL RATIOS	Capital Adequacy Ratio (%)	≥20.0	20.0	≥20.0
	Loan-to-Deposit Ratio (%)	>65.0	59.1	>65.0
	Liquidity Ratio (%)	≥50.0	44.7	≥50.0

FY 2020 Retail Guidance



Thank you