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Outline

1. Access Bank Overview
2. Domestic Operating Environment
3. Group Performance Review
4. SBU Performance Review
5. Retail Performance Review
6. Subsidiary Performance Review
7. Merger Update
8. H2 2019 Outlook
1. Access Bank Overview
We serve various markets through four (4) Strategic Business Units:

- Retail
- Business
- Commercial
- Corporate

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

- 2,834 ATMs
- 25.7mn Cards
- 47,323 POS
- 660 Branches

31 million+ Customers

7,363 Professional Staff

₦584bn Shareholders’ funds

35.55bn Outstanding

Our Credit Ratings

- Moody’s: A1
- Fitch Ratings: A+
- Standard & Poor’s: A
- Agusto & Co: AA-

Awards & Recognitions

- Winner of the 2019 World Finance Award - Best Digital Bank in Nigeria
- Winner of the 2019 World Finance Awards – Best Mobile App in Nigeria
- Winner of the 2019 Karlsruhe Sustainable Finance Awards
- Outstanding Business Sustainability Achievement

Listings

- Nigerian Stock Exchange (RC: 2321)
- Irish Stock Exchange

(Primary equity listing)

($300m Senior bond)
Our International Presence

Ghana
Branches(#) 51
Employee(#) 561
Equity(₦'bn): 49.97

Sierra Leone
Branches(#) 4
Employee(#) 46
Equity(₦'bn): 1.64

Gambia
Branches(#) 6
Employee(#) 42
Equity(₦'bn): 3.58

Nigeria
Branches(#) 572
Employee(#) 6340
Equity(₦'bn): 523.99

United Kingdom
Branches(#) 3
Employee(#) 136
Equity(₦'bn): 96.12

Zambia
Branches(#) 8
Employee(#) 80
Equity(₦'bn): 7.54

Rwanda
Branches(#) 8
Employee(#) 76
Equity(₦'bn): 3.91

Congo
Branches(#) 8
Employee(#) 82
Equity(₦'bn): 12.78

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## Our Sustainability Footprint

### PEOPLE
- USD17.7Mn invested in various CSR initiatives
- 23,810,069 lives touched
- 2,595 beneficiaries of the Hospital Facility Upgrade Support Scheme (HFUSS)
- 100% of employees volunteered
- 2,618,280 hours

### PLANET
- 50.39% reductions in CO₂ electricity emissions
- 284 ATMs running on solar power (up 53.8%)
- 94.69% reduction in waste-to-land refill in 82 locations

### PROFITS
- 30+ hospitals
- Beneficiaries of the Hospital Facility Upgrade Support Scheme (HFUSS)
- +11,208 beneficiaries of Beta Mama Beta Pikin health insurance

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2. Domestic Operating Environment
**Macro/ Regulatory Highlights**

**Key Macroeconomic Indicators**

<table>
<thead>
<tr>
<th>Q2’18</th>
<th>Q3’18</th>
<th>Q4’18</th>
<th>Q1’19</th>
<th>Q2’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP Growth Rate (%)</td>
<td>1.50</td>
<td>1.81</td>
<td>2.38</td>
<td>2.01</td>
</tr>
<tr>
<td>Inflation Rate Y/Y (%)</td>
<td>11.2</td>
<td>11.3</td>
<td>11.4</td>
<td>11.3</td>
</tr>
<tr>
<td>Crude Oil Price USD/Barrel</td>
<td>76.7</td>
<td>80.4</td>
<td>52.4</td>
<td>67.2</td>
</tr>
<tr>
<td>FX Rate (₦/$)</td>
<td>361</td>
<td>361</td>
<td>363</td>
<td>360</td>
</tr>
<tr>
<td>Money Market Rate(1) (%)</td>
<td>13.2</td>
<td>6.0</td>
<td>19.0</td>
<td>9.9</td>
</tr>
</tbody>
</table>

### January – March

- GDP declined by 2.01% (y/y) in Q1’19 (Q4’18; 2.38%), driven by the non-oil sector
- Prices recorded slower increases in Mar’19 at 11.25% y/y (Feb’19: 11.31%).
- Brent crude increased 10.19% from $62.23/bbl. to $68.57/bbl; amidst supply cuts from OPEC, plus optimism of a breakthrough in trade talks between the U.S and China
- FX rates across the parallel and NAFEX market remained converged at N360/$
- Inter-bank rate on the 30-day NIBOR declined from 15.4% (Q4’18) to 12.2 (Q1’19), indicative of system liquidity

### April – June

- GDP decelerated to 1.94% in Q2' 19(+0.44% y/y;-0.16% q/q), led by 1.6% growth in non-oil sector(91.18%)
- Commodity prices recorded slower growth in Q2 at 11.2% as inflation rates continue to decline.
- Oil production stood at 1.98m barrels p/d against 1.99 in Q1’19 but 7.6% higher than 2018. Brent crude increased 4.91 USD/BBL (+8.95%) since the beginning of 2019
- FX rates across the parallel and NAFEX market remained converged at N361/$ showing a slight increase from the previous quarter.
- Inter-bank rate on the 30-day NIBOR declined slightly from 12.2% (Q1’19) to 12.1% (Q2’19)

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

(1) Call rate was used as an indicator for the Money Market Rate
Regulatory Highlights

- Introduction of loans to the Creative Industry by the Central Bank of Nigeria
- Release of Guidelines for the deposit of foreign currency at the Central Bank of Nigeria (CBN) Abuja branch by Deposit Money Banks (DMBs)
- Implementation of the Nigeria Cheque Standard (NCS) and Nigeria Cheque Printers Accreditation Scheme (NICPAS) version 2.0
- Commencement of the Export Facilitation Initiative (EFI)
- Monetary Policy Committee (MPC) cuts Monetary Policy Rate (MPR) from 14% to 13.5%; aimed at stimulating economic growth

January to March

- Issuance of guidance notes on the implementation of IFRS 9 to other financial institutions
- Review of minimum capital requirements of micro finance banks
- Promissory notes issued by the federal government of Nigeria in respect of subsidiary payments to petroleum marketers
- Monetary Policy Committee (MPC) cuts Monetary Policy Rate (MPR) from 14% to 13.5%; aimed at stimulating economic growth

April to June

- Introduction of new rules on Loan to deposit ratio (LDR). All banks are expected to have and maintain a minimum LDR of 60% and must be achieved by the 30th of September, 2019
- Introduction of new rules for accessing the CBN Standing Deposit Facility (SDF). The remunerable daily placement by banks at the SDF shall not exceed N2 billion
- Reduction of the minimum remunerated daily placement for Standard Deposit Facility (SDF) from N7.5 billion to N2 billion

July to August
3. Group Performance Review
### Group Financial Highlights

#### Profitability

<table>
<thead>
<tr>
<th></th>
<th>H1’19</th>
<th>H1’18</th>
<th>%∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Earnings</td>
<td>324,376</td>
<td>253,024</td>
<td>28</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>155,146</td>
<td>85,296</td>
<td>82</td>
</tr>
<tr>
<td>Operating Income</td>
<td>202,296</td>
<td>151,416</td>
<td>34</td>
</tr>
<tr>
<td>Impairment Charges</td>
<td>(4,880)</td>
<td>(7,340)</td>
<td>(34)</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>74,116</td>
<td>45,843</td>
<td>62</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>63,025</td>
<td>39,625</td>
<td>59</td>
</tr>
<tr>
<td>Earnings Per Share (k)</td>
<td>193</td>
<td>128</td>
<td>51</td>
</tr>
<tr>
<td>Dividend Per Share (k)</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
</tbody>
</table>

#### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Jun’19</th>
<th>Dec’18</th>
<th>%∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and Advances</td>
<td>2,853</td>
<td>2,136</td>
<td>34</td>
</tr>
<tr>
<td>Total Assets</td>
<td>6,498</td>
<td>4,954</td>
<td>31</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>4,183</td>
<td>2,565</td>
<td>63</td>
</tr>
<tr>
<td>Shareholders’ Funds</td>
<td>584</td>
<td>491</td>
<td>19</td>
</tr>
</tbody>
</table>

#### Prudential Ratios

<table>
<thead>
<tr>
<th></th>
<th>H1’19</th>
<th>H1’18</th>
<th>%∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>After-Tax ROAE</td>
<td>23.5%</td>
<td>16.3%</td>
<td>7.1</td>
</tr>
<tr>
<td>Capital Adequacy (%)</td>
<td>20.8%</td>
<td>20.8%</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Liquidity (%)</td>
<td>49.7%</td>
<td>43.2%</td>
<td>6.5</td>
</tr>
<tr>
<td>Loan-to-Deposit</td>
<td>65.6%</td>
<td>58.7%</td>
<td>6.9</td>
</tr>
<tr>
<td>Cost-to-Income (%)</td>
<td>61.0%</td>
<td>64.9%</td>
<td>(3.9)</td>
</tr>
</tbody>
</table>
**Revenue**

**Gross Earnings**

- Gross earnings grew 28% to ₦324.4bn in the period (H1’18: ₦253.0bn), comprising 84% in interest income and 16% in non-interest income.

- Interest income drivers (up 46% y/y, H1’19: ₦272.9bn):
  - 138% y/y growth in income from investment securities to ₦107.9bn (H1’18: ₦45.3bn), on the back of a 47% ytd increase in investment securities due to the business combination.
  - 134% y/y increase in interest on Cash and Cash Equivalents to ₦4.8bn (H1’18: ₦2.1bn).
  - 15% growth in interest on Loans and Advances to customers to ₦160.2bn (H1’18: ₦139.4bn).

- Non-Interest Income drivers (down 22% y/y, H1’19: ₦51.5bn):
  - 138% y/y growth in other operating income to ₦24.4bn comprising largely of bad debt recovered (+758%), income from other financial services (+43%).
  - Net trading income dropped from ₦25.8bn in H1 2018 to a loss of ₦14.8bn in H1 2019 as a result of loss on derivatives and a decline in gains on fair value equity instruments.
  - Fee & Commission to ₦41.9bn, largely underlined by increase in commission on other financial services (+334% y/y), charge on account maintenance (+97%), and commission on virtual products, channels and other E-business (+81%).

**Interest Income**

<table>
<thead>
<tr>
<th></th>
<th>H1’17</th>
<th>H1’18</th>
<th>H1’19</th>
<th>Q1’19</th>
<th>Q2’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>161.9</td>
<td>186.7</td>
<td>272.9</td>
<td>160.1</td>
<td>164.3</td>
</tr>
<tr>
<td>Inter</td>
<td>84.4</td>
<td>66.1</td>
<td>51.5</td>
<td>49.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Invest</td>
<td>16.7</td>
<td>10.3</td>
<td>24.4</td>
<td>7.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Cash</td>
<td>25.1</td>
<td>30.3</td>
<td>41.9</td>
<td>(14.8)</td>
<td>(40.8)</td>
</tr>
</tbody>
</table>

**Non-Interest Income**

<table>
<thead>
<tr>
<th></th>
<th>H1’17</th>
<th>H1’18</th>
<th>H1’19</th>
<th>Q1’19</th>
<th>Q2’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee</td>
<td>55.4</td>
<td>10.3</td>
<td>25.8</td>
<td>7.7</td>
<td>16.7</td>
</tr>
<tr>
<td>Comm.</td>
<td>26.0</td>
<td>15.6</td>
<td>26.2</td>
<td>(14.8)</td>
<td>(40.8)</td>
</tr>
</tbody>
</table>

- **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.
Improved yields on financial instruments resulted in 120bps y/y increase in yields on interest bearing assets to 13.4%.

Average Cost of Funds decreased by 100bps y/y to 4.8%, benefiting from lower cost of fund of acquired deposit base.

Net Interest Margin increased by 200bps y/y to 7.6%, benefiting from the increase in yields and reduction in the cost of funds.

* Access Bank Stand-alone Q1’19 Margins
OPEX & Impairment Analysis

Operating Expenses (₦’bn)

- Growth in Operating expense by 26% y/y to ₦123.3bn, reflecting the impact of the enlarged franchise (H1’18: ₦98.2bn)
- Key drivers include:
  - 325% y/y increase in Professional fees
  - 43% y/y increase in Depreciation and Amortization expenses
  - 42% y/y growth in Outsourcing cost
  - 33% y/y increase in Premises and Equipment costs
  - 20% y/y increase in Personnel Expenses
- Cost to Income ratio declined 390bps y/y to 61.0% (H1’18: 64.9%), benefiting from continued adoption of cost reduction strategies and stronger revenue in the quarter
- Cost-to-Income ratio increased QoQ by 160bps, reflecting the full impact of the expanded franchise, whilst expected synergies kick in the months ahead
- Expected Credit Loss charge on loans stood at ₦9.7bn in H1’19, +42% y/y (H1’18: ₦6.8bn), on account of the Bank’s risk assets from the business combination
- Cost of risk increased by 10bps y/y to 0.7% in H1’19 (H1’18: 0.6%) due to an enlarged loan portfolio

Breakdown of Impairment Charges (₦’bn)

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Balance Sheet Snapshot

Asset Mix (₦’bn)

<table>
<thead>
<tr>
<th>Dec'18</th>
<th>Jun'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,953</td>
<td>6,498</td>
</tr>
<tr>
<td>717</td>
<td>870</td>
</tr>
<tr>
<td>2,136</td>
<td>2,853</td>
</tr>
<tr>
<td>525</td>
<td>773</td>
</tr>
<tr>
<td>721</td>
<td>1,094</td>
</tr>
<tr>
<td>741</td>
<td>649</td>
</tr>
</tbody>
</table>

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

Total Liabilities (₦’bn)

<table>
<thead>
<tr>
<th>Dec'18</th>
<th>Jun'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,458</td>
<td>5,905</td>
</tr>
<tr>
<td>511</td>
<td>334</td>
</tr>
<tr>
<td>2,565</td>
<td>612</td>
</tr>
<tr>
<td>995</td>
<td>776</td>
</tr>
</tbody>
</table>

- Total
- Other Liabilities
- Interest-Bearing Borrowings
- Deposits from Customers

- Enlarged balance sheet on the back of synergies derived from the business combination, resulting in interest earning assets and non-interest earning assets of 56% and 44% respectively

- Total assets grew 31% to ₦6.49trn as at Jun’19 (Dec’18: ₦4.95trn)

- Net Loans and advances of ₦2.85trn, up 34% ytd (Dec’18: 2.14trn), reflecting the impact of loan portfolio acquired from the merger

- Improved deposit mix with low cost deposits accounting for 55%, as Customer deposits grew 63% ytd to ₦4.18trn in June’19 from ₦2.57trn in Dec’18

---

(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
Loan Analysis

Net Loans and Advances (₦'bn)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jun'19</th>
<th>Dec'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas - Services</td>
<td>14.7%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Oil &amp; Gas - Upstream</td>
<td>8.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Oil &amp; Gas Downstream</td>
<td>4.8%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Oil &amp; Gas Refinery</td>
<td>8.1%</td>
<td>4.1%</td>
</tr>
<tr>
<td>General Commerce</td>
<td>7.5%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>7.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Government</td>
<td>7.5%</td>
<td>10.4%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>6.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.9%</td>
<td>7.8%</td>
</tr>
<tr>
<td>General</td>
<td>4.2%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Steel</td>
<td>4.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Transportation</td>
<td>3.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Manufacturing - Others</td>
<td>3.3%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Others</td>
<td>3.2%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>2.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Info.&amp; Comm.</td>
<td>2.4%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Conglomerates</td>
<td>2.2%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Power and Energy</td>
<td>2.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Oil &amp; Gas Refinery</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Cement</td>
<td>1.0%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Gross Loan Distribution by Sector

Loans by Currency

- Net loans and advances of ₦2.85trn as at Jun’19 (Dec’18: ₦2.14trn), up 34% ytd reflecting the focus on deepening and broadening of the loan book.
- FCY exposures declined slightly by 10bps to 38% (Dec’18: 40%) of the total loan portfolio in the period, due to increase in loan book size.
- Loan-to-deposit ratio stood at 65.7% as at Jun’19 (revised Dec’18: 73.4%)

(1) The following sectors are included in “Others”: Education, Conglomerates, Basic Metal Products and Flourmills & Bakeries
Asset Quality

NPL Analysis

- Expected improvement in Asset quality following the merger on the back of robust risk management approach
- NPL ratio down 360bps to 6.4% in Jun’19 (Dec’18: 2.5%), as a result of write offs coupled with a 32% increase in the loan book
- Adequate NPL coverage ratio (including regulatory risk reserves) of 113% in the period (Mar’18: 88%)

NPL Distribution by Sector

- Oil and Gas Services: 42.5% (Jun’19), 1.7% (Dec’18)
- Oil & Gas - Upstream: 10.8% (Jun’19), 0.0% (Dec’18)
- Oil & Gas - Downstream: 5.7% (Jun’19), 5.0% (Dec’18)
- General Commerce: 13.7% (Jun’19), 27.1% (Dec’18)
- Steel Rolling Mills: 6.2% (Jun’19), 19.8% (Dec’18)
- Manufacturing - Others: 5.6% (Jun’19), 12.6% (Dec’18)
- General: 4.6% (Jun’19), 13.0% (Dec’18)
- Construction: 3.8% (Jun’19), 7.3% (Dec’18)
- Others(2): 2.5% (Jun’19), 2.8% (Dec’18)
- Finance and Insurance: 2.3% (Jun’19), 8.9% (Dec’18)
- Agriculture: 2.2% (Jun’19), 1.9% (Dec’18)

NPL Analysis

- Measures the portion of the total credit exposure by sector that is impaired. Formula: NPL(Sector) / Total Gross Loans(Sector)
- The following sectors are included in “Others”(2): Education, information and communication, Conglomerates, Food Manufacturing, Real Estate Activities, Transportation & Storage and Power and Energy

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Deposit Analysis

Customer Deposits (₦’bn)

<table>
<thead>
<tr>
<th></th>
<th>Jun'18</th>
<th>Sep'18</th>
<th>Dec'18</th>
<th>Mar'19</th>
<th>Jun'19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand</td>
<td>1,285</td>
<td>1,368</td>
<td>1,287</td>
<td>814</td>
<td>812</td>
</tr>
<tr>
<td>Savings</td>
<td>232</td>
<td>239</td>
<td>267</td>
<td>1,427</td>
<td>1,479</td>
</tr>
<tr>
<td>Term</td>
<td>892</td>
<td>868</td>
<td>1,011</td>
<td>43%</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>43%</td>
<td>43%</td>
<td>45%</td>
<td>45%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Deposits Contribution by Region

- Customer deposits increased 63% to ₦4.18trn in the period (Dec’18: ₦2.57trn)
- CASA(1) account deposits grew 79% ytd to ₦2.29trn (Dec’18: ₦1.28trn), largely as a result of the derived synergies from the combined entity, as well as mobilization for sustainable low cost deposit
- Subsidiaries contribution accounted for 20% of Group deposits of ₦996.4bn in Jun’19 (Dec’18: ₦1.07trn)
- UK and Ghana jointly accounting for 89% of total subsidiary deposits and 18% of total deposits (Dec’18: 26%)

(1) CASA: Current Accounts and Savings Accounts

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Capital Adequacy Computation – Basel II

<table>
<thead>
<tr>
<th>Underlying in ₦'m</th>
<th>Jun’19(1)</th>
<th>Jun’19</th>
<th>Dec’18</th>
<th>%Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier I Capital</td>
<td>614,706</td>
<td>495,825</td>
<td>448,205</td>
<td>11</td>
</tr>
<tr>
<td>Tier II Capital</td>
<td>109,764</td>
<td>109,764</td>
<td>69,096</td>
<td>59</td>
</tr>
<tr>
<td>Total Regulatory Capital</td>
<td>724,470</td>
<td>605,589</td>
<td>517,301</td>
<td>17</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>2,334,547</td>
<td>2,334,547</td>
<td>2,163,733</td>
<td>8</td>
</tr>
<tr>
<td>Operational Risk</td>
<td>534,629</td>
<td>534,629</td>
<td>417,782</td>
<td>28</td>
</tr>
<tr>
<td>Market Risk</td>
<td>34,421</td>
<td>34,421</td>
<td>18,585</td>
<td>85</td>
</tr>
<tr>
<td>Risk-Weighted Assets</td>
<td>2,903,597</td>
<td>2,903,597</td>
<td>2,600,099</td>
<td>12</td>
</tr>
<tr>
<td>Capital Adequacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier I</td>
<td>21.0%</td>
<td>16.9%</td>
<td>17.2%</td>
<td></td>
</tr>
<tr>
<td>Tier II</td>
<td>3.9%</td>
<td>3.9%</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24.9%</td>
<td>20.8%</td>
<td>19.9%</td>
<td></td>
</tr>
</tbody>
</table>

- Capital adequacy remained well above regulatory minimum. CAR improved by 90bps ytd to 20.8% (Dec’18: 19.9%), reflecting the improvement in tier I capital.
- 12% growth in RWA mainly due to the YTD increase in net loans and advances by 32% (Dec 18: ₦2.14trn; Jun 19: ₦2.83 trn).
- However, increase in total eligible capital was more than sufficient to cushion the effect of the growth in RWA on Capital Adequacy Ratio.
- Taking into consideration IFRS 9 transitional adjustment on capital, Capital adequacy ratio improved by 499bps to 24.9%.
- Liquidity ratio(2) in the period of 49.7% (Dec’18: 50.9%) remained well in excess of the regulatory minimum.

(1) Capital Adequacy computation showing adjusted impact of regulatory transition arrangement of IFRS 9 implementation.
(2) Calculated as Total Liquid Assets (cash and cash equivalents, treasury bills, trading assets and government bonds) divided by Total Deposits.
4. SBU Performance Review
### Segment Focus

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

#### COMMERCIAL BANKING
- **Incorporated companies with an annual turnover greater than ₦1 billion, but less than ₦10 billion**
- **Customer segments include:**
  - Federal, State and Local Government MDA’s
  - Corporate and Investment Banking Value Chain
  - Asian Companies
  - Local Corporates

#### BUSINESS BANKING
- **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**

#### RETAIL BANKING
- **The Division caters to the following classes of individuals:**
  - Affluent Professionals
  - Employees in the Value Chain
  - Informal Traders
  - High Net-worth Individuals (HNI)
  - Ultra-High Net-worth Individuals (UHNI)
  - Students
  - Pensioners

### Products & Services

#### CORPORATE & INVESTMENT BANKING
- Financial advisory
- Trade/structured finance
- Treasury

#### COMMERCIAL BANKING
- Cash management
- Tailored lending scheme (value chain)
- Liquidity management
- Trade finance
- Advisory services

#### BUSINESS BANKING
- Payroll management
- Trade finance
- Payment & collections
- Financial advisory
- Asset finance

#### RETAIL BANKING
- Specialized savings account
- Current and investment accounts
- Personal loans, advances and mortgages
**Wholesale Banking**

**Corporate & Investment Banking**

<table>
<thead>
<tr>
<th>Underlying in ₦'m</th>
<th>Jun'19</th>
<th>Jun'18</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>161,531</td>
<td>90,953</td>
<td>78</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>35,334</td>
<td>28,271</td>
<td>25</td>
</tr>
<tr>
<td>Total Risk Assets</td>
<td>1,061,264</td>
<td>790,974</td>
<td>34</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>1,249,484</td>
<td>1,008,308</td>
<td>24</td>
</tr>
</tbody>
</table>

**Commercial Banking**

<table>
<thead>
<tr>
<th>Underlying in ₦'m</th>
<th>Jun'19</th>
<th>Jun'18</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>78,008</td>
<td>74,893</td>
<td>4</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>21,049</td>
<td>12,104</td>
<td>74</td>
</tr>
<tr>
<td>Total Risk Assets</td>
<td>1,550,736</td>
<td>1,237,109</td>
<td>25</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>997,134</td>
<td>805,578</td>
<td>24</td>
</tr>
</tbody>
</table>

**H2 2019 Outlook**

- Push for the continued growth in market share across target corporates
- Leverage the bank's enlarged retail base for value chain optimization
- Effective management of the loan book to ensure maximization of revenue
- Stay true to the "More than Banking" commitment to enable stickiness with the corporates to sign on new clients

**H2 2019 Outlook**

- Develop variants of products that suit the needs of our customers to drive improvement in fee and commission
- Use of strategic valued added financial product to improve brand dominance in the market
- Expansion of digital capability in providing service and credit
## Retail Banking

### H2 2019 Outlook
- Deliberate sensitization of customers to adopt online platforms
- Leverage the bank's enlarged retail base for value chain optimization and loan sales
- Enhance and scale up capacity in the back office systems to meet current process demands

### Business Banking

<table>
<thead>
<tr>
<th></th>
<th>Jun’19</th>
<th>Jun’18</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying in ₦'m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>20,044</td>
<td>41,397</td>
<td>(52)</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>6,473</td>
<td>2,775</td>
<td>133</td>
</tr>
<tr>
<td></td>
<td>Jun’19</td>
<td>Dec’18</td>
<td>% Δ</td>
</tr>
<tr>
<td>Total Risk Assets</td>
<td>119,098</td>
<td>61,917</td>
<td>92</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>389,259</td>
<td>331,112</td>
<td>18</td>
</tr>
</tbody>
</table>

### Personal Banking

<table>
<thead>
<tr>
<th></th>
<th>Jun’19</th>
<th>Jun’18</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying in ₦'m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>64,793</td>
<td>45,782</td>
<td>42</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>11,261</td>
<td>2,692</td>
<td>318</td>
</tr>
<tr>
<td></td>
<td>Jun’19</td>
<td>Dec’18</td>
<td>% Δ</td>
</tr>
<tr>
<td>Total Risk Assets</td>
<td>121,904</td>
<td>46,096</td>
<td>164</td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>1,547,114</td>
<td>435,250</td>
<td>255</td>
</tr>
</tbody>
</table>

### Customer Count

- Mar’19: 20
- Jun’19: 29

- Access Stand-alone Mar’19: 9
- Access Combined Jun’19: 20
- Diamond Bank Mar’19: 20
- Access Growth Jun’19: +6%
5. Retail Performance Review
Our focus to bank the unbanked through agency banking and partnerships with telcos has helped reach ~1.3mn customers and facilitated transactions worth ~₦99bn in just three months.

<table>
<thead>
<tr>
<th>Agent type</th>
<th>Transaction Count ‘000</th>
<th>Value of transactions ₦’bn</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>~1.3mn People have access to banking services as a result of our expanded agency banking</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~1.2x Growth in value of transactions; showing trust in the banking channel</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~₦99bn Value of total transactions in Q2’19 was 3.5x Q1’19</td>
</tr>
</tbody>
</table>

- **DSAs**
  - Beta: Q1 19 = 546, Q2 19 = 802 (+47%)
  - Closa: Q1 19 = 26, Q2 19 = 95 (3.5x)

- **Telco partnerships**
  - Q1 19: DSAs = 3,270, Telco = 3
  - Q2 19: DSAs = 3,934, Telco = 3 (1.2x), Closa = 4 (1.3x)
Digital Loan Highlights

Through digital and analytics we disbursed an average of ~₦200mn to ~4,600 customers daily at the click of a few buttons, leading to diversification and de-risking of our loan portfolio.

### Count and value

<table>
<thead>
<tr>
<th></th>
<th>Q1 19</th>
<th>Q2 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count, ‘000</td>
<td>349</td>
<td>830</td>
</tr>
<tr>
<td>Value, ₦’bn</td>
<td>7</td>
<td>18</td>
</tr>
</tbody>
</table>

### Impact

- **Statistics**
  - ~₦18 billion payday loans disbursement
  - ~4600 payday loan customers daily
  - Enables the bank to diversify and de-risk its portfolio

- **Convenience**
  - Customers can access payday loans through mobile phones in < 1 minute using a USSD code
  - It is available on all different service providers
  - Accessible to different types of earners - self employed and non self employed

- **Data & Analytics**
  - Leveraging the use of analytics to engage customers on the right products at the right time
  - Investing in more service capabilities, digital and physical- advisory in branches and self- serve outside the bank
All channels experienced growth YoY from H18 (pre merger) to H19 (post merger); cards, USSD and agency are the most popular

<table>
<thead>
<tr>
<th>Channels</th>
<th>Count H18 (mn)</th>
<th>Count H19 (mn)</th>
<th>YoY Growth</th>
<th>Value H18 (₦’bn)</th>
<th>Value H19 (₦’bn)</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit/Credit Card</td>
<td>165</td>
<td>330</td>
<td>100%</td>
<td>1,228</td>
<td>2,892</td>
<td>136%</td>
</tr>
<tr>
<td>POS</td>
<td>23</td>
<td>28</td>
<td>22%</td>
<td>236</td>
<td>239</td>
<td>1%</td>
</tr>
<tr>
<td>Mobile &amp; Internet Banking</td>
<td>112</td>
<td>117</td>
<td>4%</td>
<td>8,029</td>
<td>8,758</td>
<td>9%</td>
</tr>
<tr>
<td>ATM</td>
<td>95</td>
<td>108</td>
<td>14%</td>
<td>977</td>
<td>993</td>
<td>2%</td>
</tr>
<tr>
<td>USSD</td>
<td>50</td>
<td>115</td>
<td>130%</td>
<td>163</td>
<td>422</td>
<td>160%</td>
</tr>
<tr>
<td>Agency Banking</td>
<td>3</td>
<td>12</td>
<td>265%</td>
<td>20</td>
<td>84</td>
<td>324%</td>
</tr>
<tr>
<td>Digital Loan</td>
<td>0.6</td>
<td>0.8</td>
<td>33%</td>
<td>11</td>
<td>18</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>448</strong></td>
<td><strong>710</strong></td>
<td><strong>58%</strong></td>
<td><strong>10,662</strong></td>
<td><strong>13,406</strong></td>
<td><strong>26%</strong></td>
</tr>
</tbody>
</table>

- Our market leading propositions are designed with the customer at the center
- Our customers have trusted our digital platforms resulting into significant growth
Looking into the near future, the department plans to focus on building capabilities, maximizing use of data and analytics, growing reach and presence.

- **Improving our digital capabilities**
  - Continue enhancing our product and solutions offering on all our digital channels
  - Transition branches to be financial advisory centers as more customers make use of our digital platforms

- **Maximize use of data and analytics**
  - Offer personalized products and solutions through the use of data and analytics
  - Identify and prevent cybercrimes; protecting our customers making use of digital platforms e.g., use of speech recognition
  - Use of artificial intelligence to serve customers more cost effectively e.g., robotics process is being used to automate processes

- **Leverage our value propositions**
  - Take advantage of our strong retail value proposition to acquire and serve our customers better
  - Enhance our relationship management capabilities for our affluent and private banking sub-segments
  - Expand our support to women entrepreneurs through partnership with the state governments

- **Expanding reach and presence**
  - Expand our agency banking network and reach more of the unbanked population in the rural areas and urban centres with limited coverage
  - Improve service offering in the financial inclusion segment through increased product and solutions access on the existing telcos partnerships
6. Subsidiary Performance Review
### Subsidiary Performance Overview

#### Financial Highlights

<table>
<thead>
<tr>
<th>Underlying in ₦’million</th>
<th>United Kingdom</th>
<th>Ghana</th>
<th>Rwanda</th>
<th>R. D. Congo</th>
<th>Zambia</th>
<th>Gambia</th>
<th>Sierra Leone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>9,076</td>
<td>10,371</td>
<td>203</td>
<td>644</td>
<td>451</td>
<td>120</td>
<td>172</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>7,256</td>
<td>9,025</td>
<td>81</td>
<td>644</td>
<td>335</td>
<td>88</td>
<td>136</td>
</tr>
<tr>
<td>Total Assets</td>
<td>811,485</td>
<td>263,424</td>
<td>35,599</td>
<td>49,769</td>
<td>40,966</td>
<td>14,436</td>
<td>8,134</td>
</tr>
<tr>
<td>Loans and Advances</td>
<td>490,930</td>
<td>55,915</td>
<td>9,080</td>
<td>14,302</td>
<td>3,956</td>
<td>1,287</td>
<td>961</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>704,400</td>
<td>178,674</td>
<td>29,030</td>
<td>35,549</td>
<td>32,607</td>
<td>9,994</td>
<td>6,170</td>
</tr>
</tbody>
</table>

#### Key Messages

- **Subsidiaries contribution to the group’s performance improved to 28%/y/y flat, recording total subsidiary PBT of ₦21.0bn up 54% y/y (H1’18: ₦13.6bn)**

- **UK and Ghana accounted for 92% of total H1’19 subsidiary PBT (H1’18: 89%)**

- **Total loans for the subsidiaries stood at ₦576.4bn (+15% YTD), with total deposits at ₦996.4bn (-7%)**

- **Total assets from subsidiaries stood at ₦1.22trn, a 5% reduction from ₦1.29trn in Dec’18**

#### Profit Before Tax by Subsidiary (₦’bn)

- **UK**: 9.08
- **Ghana**: 10.37
- **R. D. Congo**: 0.20
- **Zambia**: 0.64
- **Gambia**: 0.45
- **Sierra Leone**: 0.12
- **Total**: 21.04

#### Loan Contribution by Geography

- **Jun’19**: ₦576.4bn
- **85%**
  - **UK**
  - **Rwanda**
  - **Zambia**
  - **Sierra Leone**

#### Deposit Contribution by Geography (%)

- **Jun’19**: ₦996.4bn
- **71%**
  - **UK**
  - **Rwanda**
  - **Zambia**
  - **Sierra Leone**

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7. Merger Update
## Synergy Realization

### 2019-2021 Run Rate and One-Off Synergies

<table>
<thead>
<tr>
<th>Merger Synergies</th>
<th>Revenue Synergies</th>
<th>Cost Synergies</th>
<th>Total Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>99.4</td>
<td>54.5</td>
<td>153.9</td>
</tr>
</tbody>
</table>

### Key Cost Synergies Realized as at June 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Synergy Value, NGN, million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management</td>
<td>Loan Recoveries</td>
<td>13,967</td>
</tr>
<tr>
<td>Enterprise Business</td>
<td>Sale of assets and contract renegotiation</td>
<td>3,122</td>
</tr>
<tr>
<td>IT</td>
<td>IT integration, data center consolidation e.g. Duplicate software, programs, and infrastructure</td>
<td>885</td>
</tr>
<tr>
<td>Treasury</td>
<td>Mobilization of low cost liability funds</td>
<td>854</td>
</tr>
<tr>
<td>External Communications</td>
<td>Significant savings in advertising and promotions costs</td>
<td>820</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>Removal of annual REAL maintenance fee</td>
<td>468</td>
</tr>
<tr>
<td>Financial Control</td>
<td>Depreciation Rate Alignment, elimination of audit and credit rating fees</td>
<td>428</td>
</tr>
<tr>
<td>Branch &amp; Retail Ops</td>
<td>Savings on CBN Cash Deposit and Bullion Transportation Fees</td>
<td>297</td>
</tr>
</tbody>
</table>
8. H2 2019 Outlook
## H2 2019 Outlook

### Improve Asset Quality
- Continue aggressive recovery drive
- Continue to pay close attention to the loan book

### Increase Transaction Banking Income
- Migrate our customers to alternative channels
- Create strong awareness of our flagship retail products

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

### Optimise Operational Efficiency
- Enhance productivity across our branches and staff
- Extract value from existing accounts by (i) improving cross sell ratio, (ii) reducing the level of unfunded accounts and (iii) increasing the level of transacting accounts

### Cost Management
- Improve operating efficiency by aggressively executing strategic cost saving initiatives

### Merger Synergies
- Continue to drive merger synergies across the respective segments
Thank you