

The background features a cityscape at sunset, with a large orange geometric graphic consisting of multiple overlapping, nested diamond shapes. The sky is a mix of orange and yellow, and the water in the foreground is dark with some reflections.

Q1 2019

**RESULTS PRESENTATION TO
INVESTORS AND ANALYSTS**

April 2019



more than banking

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1. Access Bank Overview

Corporate Profile

Access Bank Plc. is a leading full-service commercial Bank operating through a network of more than 674 branches and service outlets, spanning 3 continents, 12 countries and 29 million customers.

35.55bn
Shares
Outstanding



29million+
Customers



₦576bn

Shareholders' Funds



7,486

Professional Staff



54%

46%

Listings

THE Nigerian STOCK EXCHANGE



(Primary equity listing)

Irish Stock Exchange

(\$400m Tier II bond)
(\$300m Senior bond)

Our Credit Ratings

MOODY'S B2

FitchRatings A+

STANDARD & POOR'S B

Agusto & Co AA-

We serve various markets through four (4) business segments:



Personal



SME



Commercial



Corporate

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



3,177
ATMs



11.0m
Cards



38,028
POS



674
Branches

Awards & Recognitions

- CEO Awards Forum 2019 - Gender Leader of the year
- Ethical Board Room 2019 - Special Recognition Award in Sustainability Banking in Africa
- Global Brands Awards 2019- Best CSR Bank



Our International Presence



Africa



Ghana	
Branches(#)	52
Employee(#):	568
Equity(₦'bn):	56.5
PBT (₦'bn):	6.18



Gambia	
Branches(#)	6
Employee(#):	41
Equity(₦'bn):	3.6
PBT (₦'bn):	0.08



Congo	
Branches(#)	8
Employee(#):	82
Equity(₦'bn):	5.6
PBT (₦'bn):	0.26



Sierra Leone	
Branches(#)	4
Employee(#):	45
Equity(₦'bn):	1.6
PBT (₦'bn):	0.10



Rwanda	
Branches(#)	7
Employee(#):	79
Equity(₦'bn):	4.1
PBT (₦'bn):	0.16



Zambia	
Branches(#)	8
Employee(#):	79
Equity(₦'bn):	8.0
PBT (₦'bn):	0.24

Nigeria	
Branches(#):	589
Employee(#):	6563
Equity(₦'bn):	594.5
PBT (₦'bn):	45.10

Outside Africa



United Kingdom	
Branches(#)	3
Employee(#):	133
Equity(₦'bn):	92.7
PBT (₦'bn):	4.34



Rep Offices



Mumbai, India

Beirut, Lebanon



Shanghai, China

Dubai, United Arab Emirates
(Fully Licensed UK Branch)

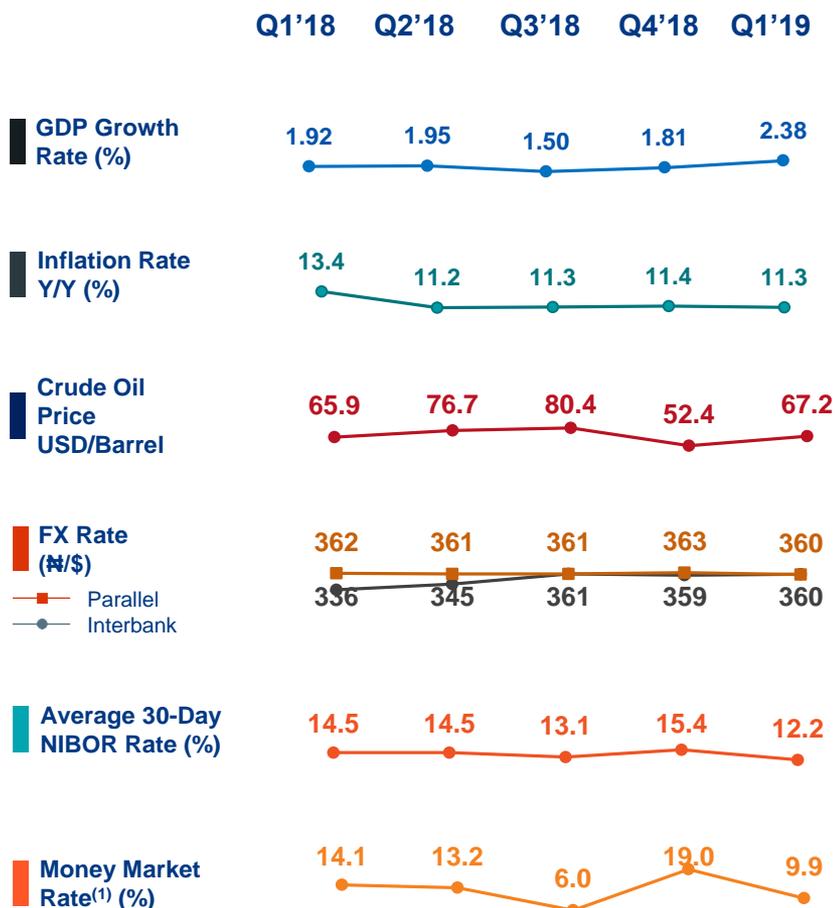


2. Domestic Operating Environment

The Nigerian Economy (Q1'19)



Key Macroeconomic Indicators



Comments

- The nation's GDP grew by 2.38% (y/y) in Q4'18 (Q4'17; 2.11%), translating an annual growth rate of 1.93% in 2018. Growth continues to be driven by the non-oil sector; particularly the services sector
- Prices recorded slower increases in Mar'19 at 11.25% y/y compared to 11.31% (Feb'19). Month-on-month (m/m), prices increased, ending three consecutive month of decline
- Brent crude increased 10.19% from \$62.23/bbl. to \$68.57/bbl; amidst supply cuts from OPEC+, optimism of a break through in talks between the U.S and China, along with other supply disruptions.
- 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

Q1 2019 Regulatory Highlights

- Issuance of guidance notes on the implementation of IFRS 9 to other financial institutions
- Review of minimum capital requirements of micro finance banks
- Monetary Policy Committee (MPC) cuts Monetary Policy Rate (MPR) from 14% to 13.5%; aimed at stimulating economic growth

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

3. Transformational Journey

Towards the Achievement of Our Vision



Access Bank Plc has achieved significant growth through key transformative strategies, resulting to becoming a Nigerian banking institution of repute. The next phase will see the bank achieving its ambition of becoming the World's most Respected African Bank.

2017

Tier 1 Nigerian Institution



- Full service Commercial Bank with International Operations
- Robust risk management framework
- Reduced earnings volatility

Today

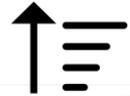
Diversified Tier 1 Banking Franchise



- Customer-centric Bank
- Market leadership across business lines
- Expanded Omni-channel banking

2022

Africa's Gateway to the World



- Consolidated Retail franchise and dominant Corporate bank in Nigeria
- Universal payments gateway
- Pan-African financial services champion
- Integrated global franchise
- Sustainability leader in Africa

Consistent earnings growth



Market
leadership

+

Diversified
Business
Offering

+

Enhanced
Financial
Capacity

Underpinned by:

- Experienced & proven Management team
- Strong risk management framework
- Flawless Execution

Experienced and Proven Management Team



Herbert Wigwe
GMD/CEO



- Over 25 years executive leadership experience in the banking sector
- Seasoned

Roosevelt Ogbonna
GDMD/



- 22 years of strong leadership and business development
- Seasoned banker and scholar

Gregory Ovie Jobome
Executive Director,
Risk Management



- 16 years banking experience
- Seasoned Management Practitioner

Hadiza Ambursa
Executive Director
Commercial Banking
(North)



- 22 years of strong leadership and business development
- Seasoned and distinguished banker

Chizoma Okoli
Executive Director
Business Banking



- 27 years of strong business development
- Seasoned and distinguished Banker

Victor Etuokwu
Executive Director
Retail Banking



- 23 years banking experience across all facets of banking
- Drove industry initiatives defining best practices in the retail segment

Ade Bajomo
Executive Director
Operations & IT



- 19 years of Banking experience in Operations and IT
- Strong Program and Project governance track record

Leveraging Diversity and Scale



Customer Base

- Meeting financial needs across mass market, mass affluent, private banking, emerging business, business banking and wholesale banking
- Over 28 million retail customers (incl. financial inclusion customers)
- ~ 800k wholesale customers

Channels

- 674 retail branches
- 3,177 ATMs deployed
- Over 10 million debit cards in force
- 6 million+ mobile banking customers
- 5.1million+ customers activated on the USSD platform

Operating Scale

- ₦750 million m/m on average retail banking deposit balance as at Q1'19
- Over 264k in monthly account acquisition
- Over ₦100 billion in POS volume for
- ₦3.8 trillion in mobile and internet banking

4. Group Performance Review

Group Financial Highlights



Profitability

₹'million	Q1'18	Q1'19	%Δ
Gross Earnings	137,535	160,123	16
Net Interest Income	44,653	56,838	27
Operating Income	84,656	103,625	22
Impairment Charges	(4,961)	(3,375)	(32)
Profit Before Tax	27,236	45,101	66
Profit After Tax	21,913	41,148	88
EPS (k)	77	139	81



Balance Sheet

₹'billion	Dec'18	Mar'19	%Δ
Loans and Advances	2,136	2,741	28
Total Assets	4,954	6,427	30
Customer Deposits	2,565	3,920	53
Shareholders' Funds	491	576	18



Prudential Ratios

Percentage (%)	Q1'18	Q1'19	%Δ
After-Tax ROAE	18.3%	30.9%	12.7
Capital Adequacy (%)	19.3%	19.1%	(0.2)
Liquidity (%)	46.3%	47.6%	1.4
Loan-to-Deposit	60.7%	52.8%	(7.8)
Cost-to-Income (%)	62.0%	53.2%	(8.7)

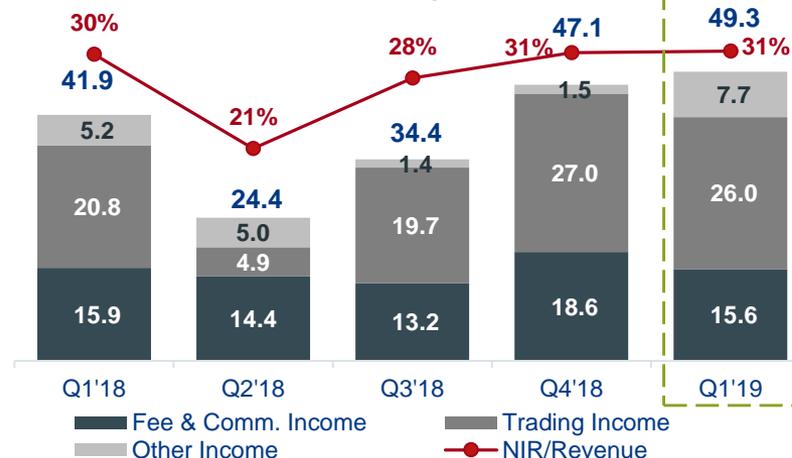
Gross Earnings⁽¹⁾ (₦'bn)



Interest Income⁽²⁾ (₦'bn)



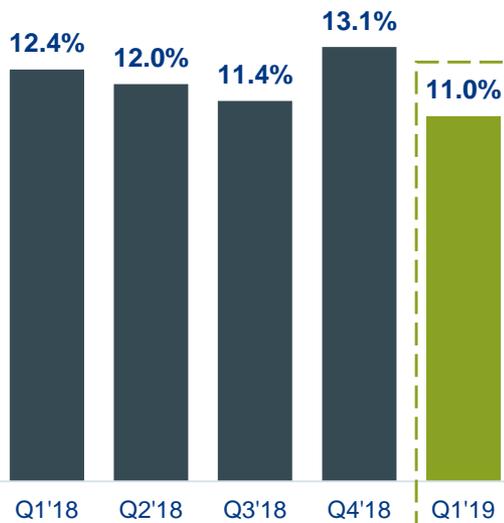
Non-Interest Income (₦'bn)



- Gross earnings grew 16% to ₦160.1bn in the period (Q1'18: ₦137.5bn), comprising 69% in interest income and 31% in non-interest income
- Interest income drivers (up 16% y/y, Q1'19: ₦110.8bn):
 - 159% y/y growth in income from investment securities to ₦50.8bn (Q1'18: ₦19.6bn), on the back of a 50% increase in investment securities
 - 12% y/y decline in interest on Cash and balances with banks to ₦1.6bn (Q1'18: ₦1.8bn)
 - 21% decline in Loans and advances to customers to ₦58.4bn (Q1'18: ₦74.2bn)
- Non-Interest Income drivers (up 18% y/y, Q1'19: ₦49.3bn):
 - 48% y/y growth in other operating income to ₦7.7bn comprising income from other financial assets(+192%), and dividends on equity securities(+19%)
 - Strong gains on derivatives of ₦10.9bn coupled with revaluation gain of ₦4.7bn as a result of our short FX position, resulting in net trading income growth of 25% y/y
 - Marginal y/y decline of 6% in net fee & Commission to ₦13.1bn, underlined by decrease in commissions on other financial services (-54% y/y) and commissions on bills and letters of credit (-42%), income from channels and other E-business (-15%)

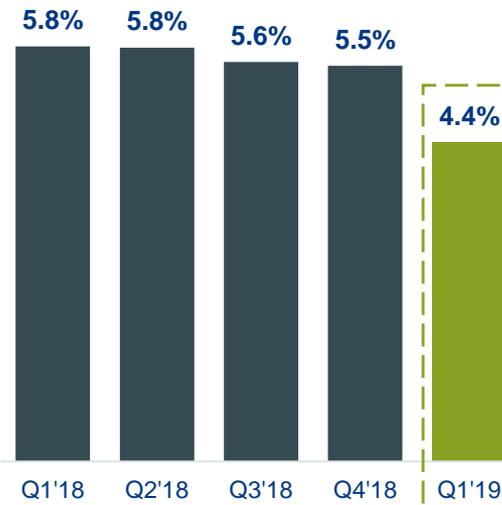
(1) Calculated as the sum of Interest Income, Fee & Commission Income, Net Gains (Losses) on Investment Securities, Net Foreign Exchange Income / (Loss) and Other Operating Income
 (2) Interest Income figures calculated as an addition of Interest income on financial assets not at FVTPL/ not held for trading and Interest income on financial assets at FVTPL/held for trading

Yield on Assets (YoA)



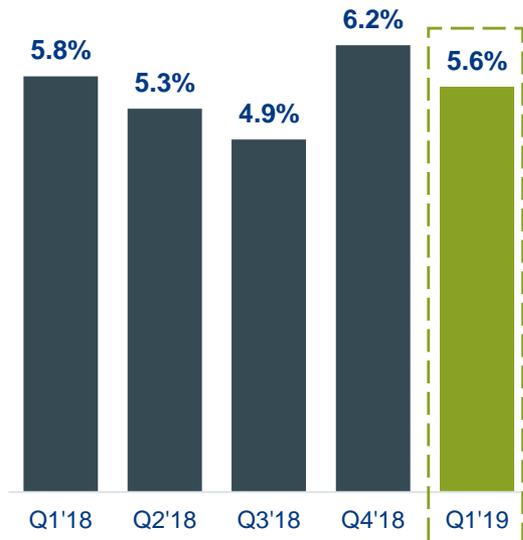
Declining yields on financial instruments resulted in lower yields on interest bearing assets of 11.0% (-140bps y/y).

Cost of Funds (CoF)



Average Cost of Funds reduction by 140bps y/y, reflecting the impact of value realization from an enlarged balance sheet.

Net Interest Margin (NIM)

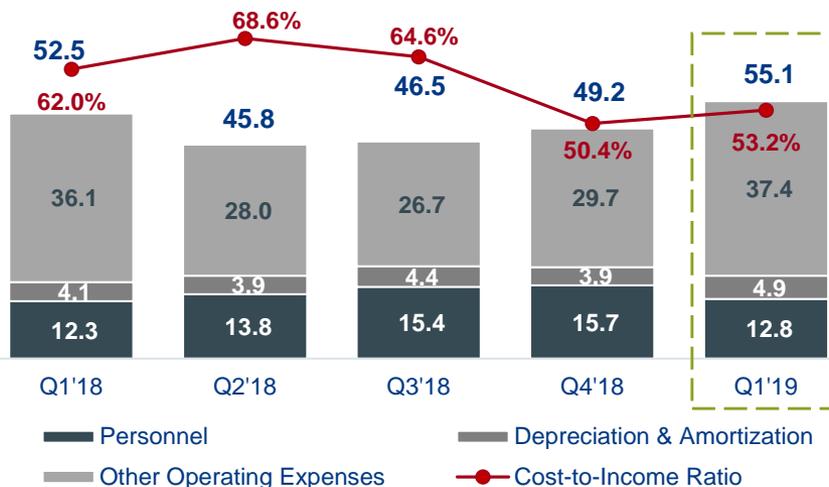


Moderate y/y decline in Net Interest Margin (-20bps) to 5.6%. Decrease tapered by the impact of lower funding cost.

OPEX & Impairment Analysis

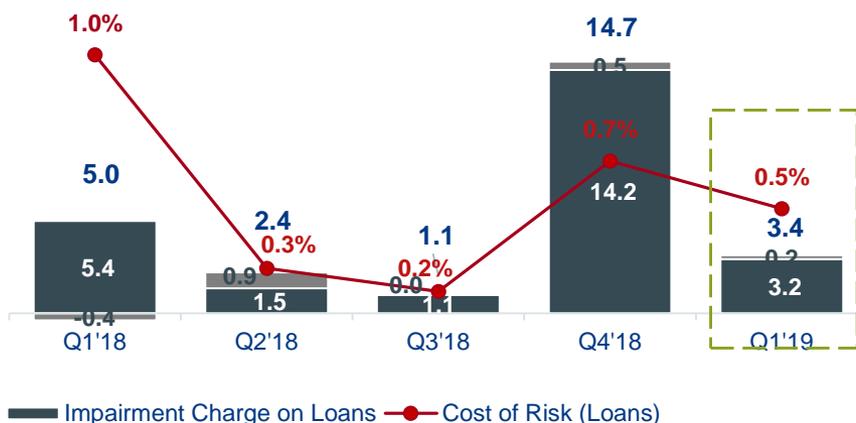


Operating Expenses (₦'bn)



- 5% y/y increase in Operating Expense to ₦55.1bn, from ₦52.5bn in Q1'18
- Key drivers include:
 - 58% y/y increase in professional fees
 - 36% y/y increase in regulatory charges
 - 22% growth in IT and E-business expenses
 - 21% y/y growth in depreciation and amortization charges
- Cost to Income ratio declined 870bps y/y to 53.2% (Q1'18: 62.0%), benefiting from continued adoption of cost reduction strategies and stronger revenue in the quarter

Breakdown of Impairment Charges (₦'bn)



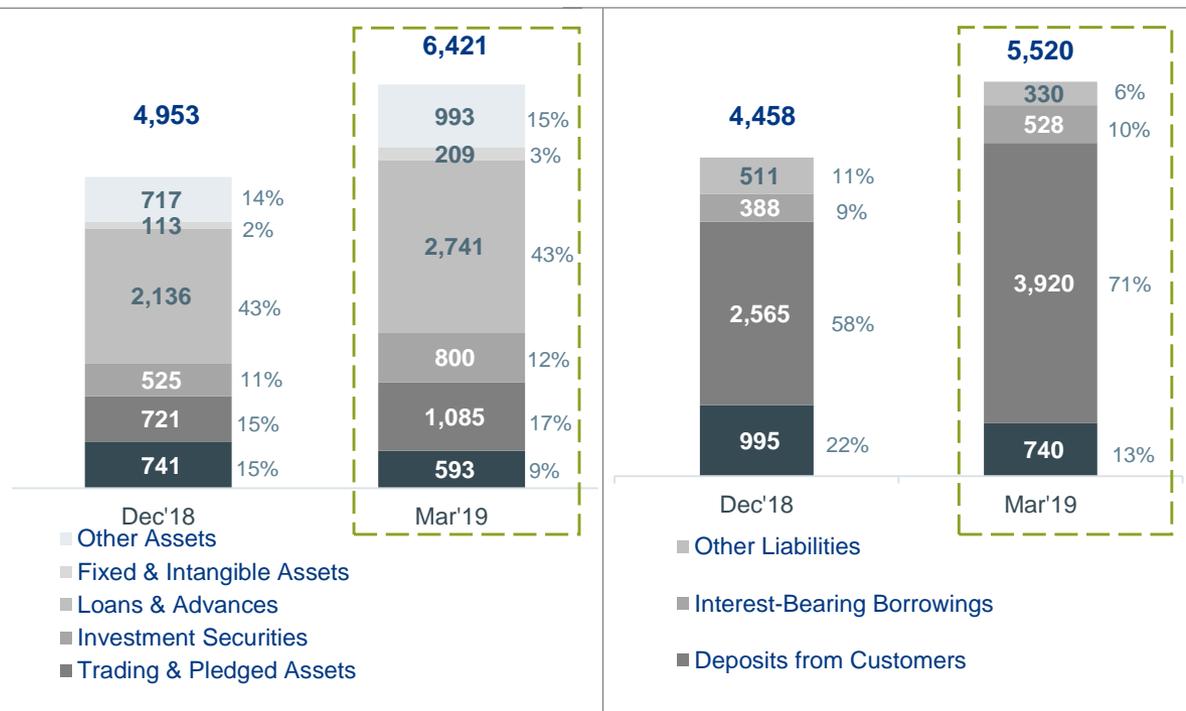
- Expected Credit Loss charge on loans (non-merged entity position) stood at ₦3.2bn in Q1'19, decreasing 32% y/y (Q1'18: ₦5.0bn), on account of improved quality of risk assets (Access Bank standalone) with adequate provisions taken in December 2018.
- Cost of risk decreased by 50bps y/y to 0.5% in Q1'19 (Q1'18: 1.0%)

Balance Sheet Snapshot



Asset Mix (₦'bn)

Total Liabilities (₦'bn)



- Enhanced balance sheet as a result of synergies derived from the merged entity, resulting in interest earning assets and non-interest assets of 71% and 29% respectively
- Total assets grew 30% to ₦6.42trn as at Mar'19 (Dec'18: ₦4.95trn)
- Loans and advances of ₦2.74trn, up 28% ytd (Dec'18: 2.14trn), reflecting impact of the merger on the asset book
- Improved deposit mix with low cost deposits accounting for 57%, as Customer deposits grew 53% ytd to ₦3.92trn in Mar'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

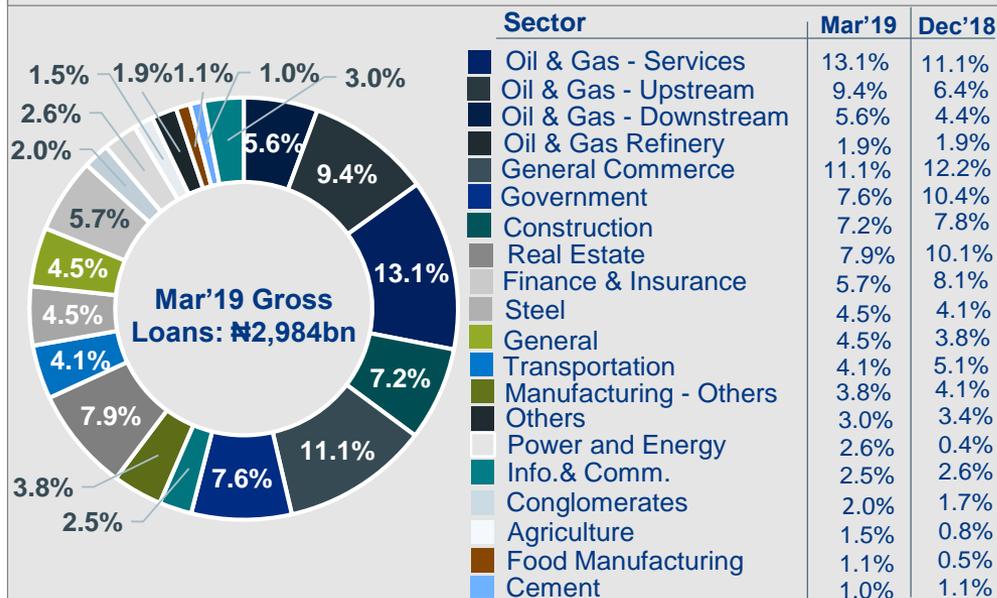
Net Loans and Advances (₦'bn)



Loans by Currency



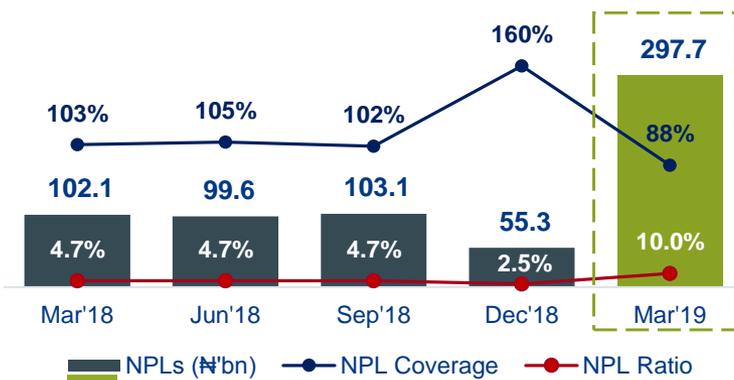
Gross Loan Distribution by Sector



- Net loans and advances of ₦2.74trn as at Mar'19 (Dec'18: ₦2.14trn), up 28% ytd during the period reflecting the impact of the merger on the loan position.
- FCY exposures declined slightly by 10bps to 39% (Dec'18: 40%) of the total loan portfolio in the period, due to significant pay down from dollar-denominated facilities
- Loan-to-deposit ratio (inclusive of interest-bearing borrowings) stood at 52.8% as at Mar'19 (Dec'18: 54.1%)

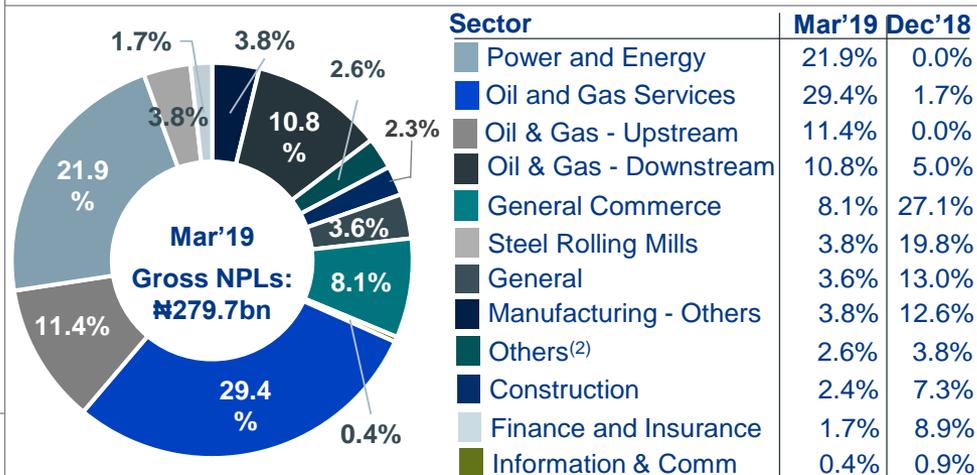
(1) The following sectors are included in "Others": Education, Conglomerates, Basic Metal Products and Flourmills & Bakeries

NPL Analysis

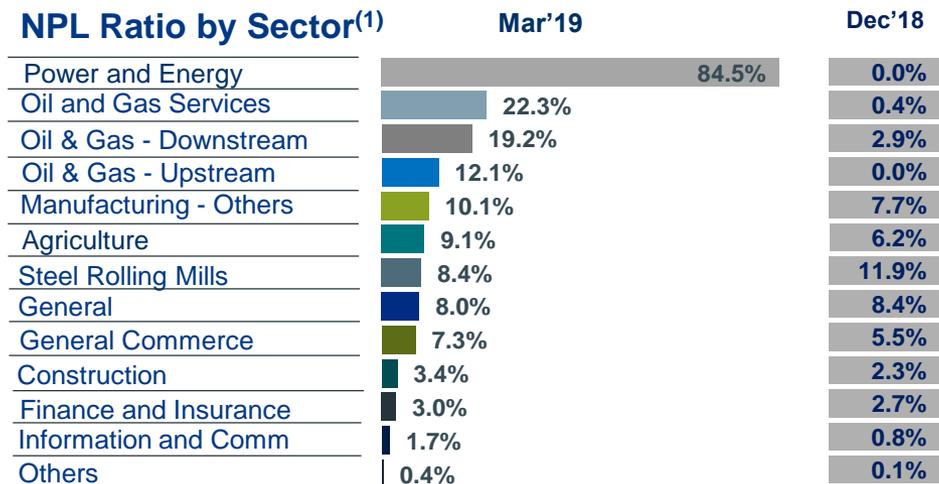


- Expected short term decline in Asset quality as a result of assets acquired during the merger
- NPL ratio up 810bps to 10.0% in Mar'19 (Dec'18: 2.5%), due to the NPLs acquisition as a result of the merger
- Adequate NPL coverage ratio (including regulatory risk reserves) of 88% in the period (Dec'18: 160%)

NPL Distribution by Sector



NPL Ratio by Sector⁽¹⁾



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

(2) The following sectors are included in "Others⁽²⁾": Education, Conglomerates, Food Manufacturing, Real Estate Activities and Transportation & Storage

Asset Quality (Breakdown)



Diamond Bank FY'2018

Loan size	₹787bn
Total NPL	₹269bn
Total Impairment	₹219bn

Events within Q1'19

Write off - (Jan - Mar)	₹61bn
Loan repayment	₹63bn
Recovery	₹4.5bn

Combined entity Q1'19

Loan size	₹2.9Trillion
Total NPL	₹297bn
Total Impairment	₹243bn
Regulatory Risk Reserve	₹19bn
NPL Coverage %	88.1%

- This represents a snap shot of DB's audited loan portfolio as at FY2018
- A total of ₹44bn was written off prior to Dec'18 on the back of the ₹190bn Day 1 IFRS 9 charge against capital when netted against Regulatory Risk Reserve is ₹160bn

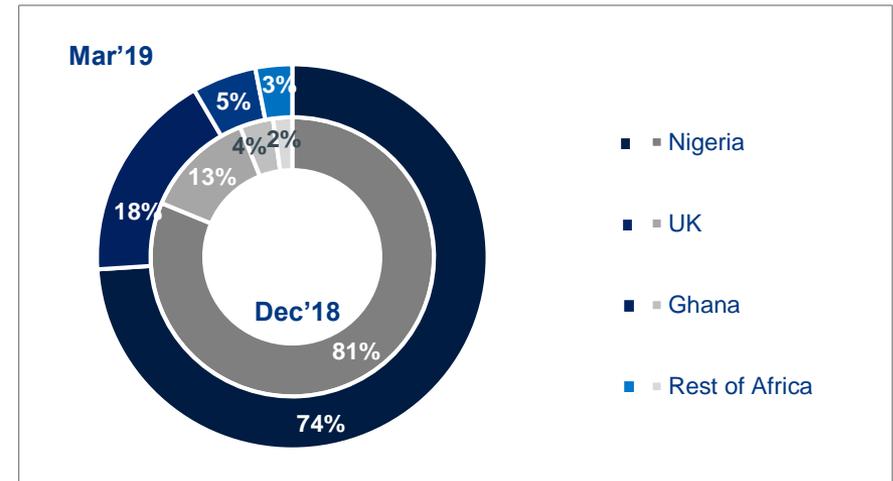
- Loan portfolio witnessed a drop of ₹130bn of which ₹61bn relates to impaired (NPL) facilities

- Effective impact on CAR is 19.1% Full impact and 22.6% Transitional. Enhanced by earnings retention and issuance Tier II capital.

Customer Deposits (₦'bn)



Deposits Contribution by Region



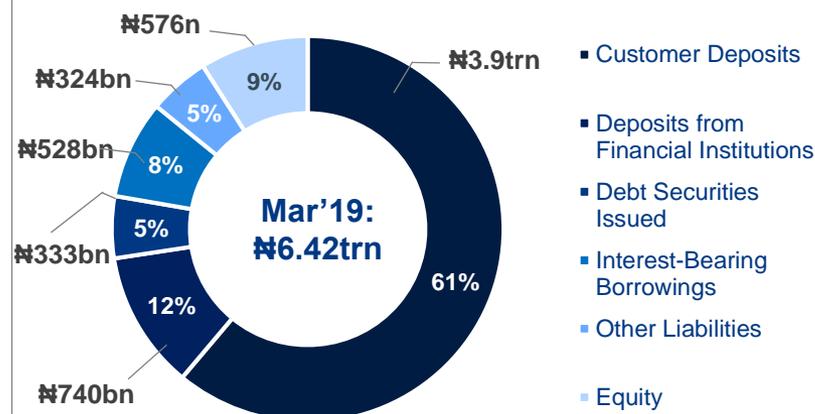
- Customer deposits increased 53% to ₦3.92trn in the period (Dec'18: ₦2.57trn)
- CASA⁽¹⁾ account deposits grew 75% ytd to ₦2.24trn (Dec'18: ₦1.28trn), largely as a result of the derived synergies from the combined entity, as well as mobilization for sustainable low cost deposit
- Subsidiaries contribution accounted for 19% of Group deposits of ₦941.8bn in Mar'19 (Dec'18: ₦1.07trn), with UK and Ghana jointly accounting for 16% of total deposits (Dec'18: 26%)

(1) CASA: Current Accounts and Savings Accounts

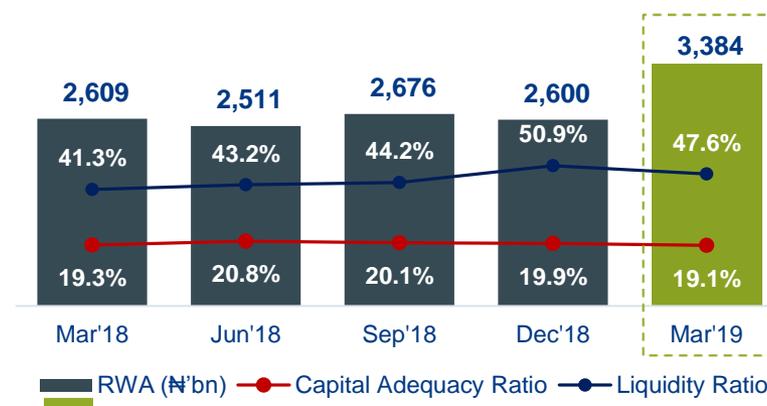
Capital Adequacy Computation – Basel II

Underlying in ₦'m	Mar'19 ⁽¹⁾	Mar'19	Dec'18	%Δ
Tier I Capital	622,947	504,029	448,205	12
Tier II Capital	141,248	141,248	69,096	125
Total Regulatory Capital	764,195	645,277	517,301	27
Credit Risk	2,917,758	2,917,758	2,163,733	35
Operational Risk	435,282	435,282	417,782	4
Market Risk	30,627	30,627	18,585	65
Risk-Weighted Assets	3,383,667	3,383,667	2,600,099	30
Capital Adequacy				
Tier I	15.5%	12.9%	17.2%	
Tier II	7.1%	6.1%	2.7%	
Total	22.6%	19.1%	19.9%	

Funding Sources



- Capital adequacy remained well above regulatory minimum. CAR declined 80bps to 19.1% (Dec'18: 19.9%), reflecting the 30% growth in RWA due to the merger.
- 30% growth in RWA mainly due to the YTD increase in net loans and advances by 28% (Dec 18: N2.14trn; Mar 19: N2.74 trn)
- However, increase in total eligible capital is 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 improves by 270bps to 22.6%
- Liquidity ratio⁽²⁾ in the period of 47.6% (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

5. SBU Performance Review

SBU Performance Highlights



Underlying in ₹'m	Mar'19	Mar'18	%Δ
Total Revenue	101,600	57,877	76
Profit Before Tax	44,611	19,960	123
Underlying in ₹'m	Mar'19	Dec'18	%Δ
Loans and Advances	942,279	790,974	19
Customer Deposits	1,343,319	1,008,308	33



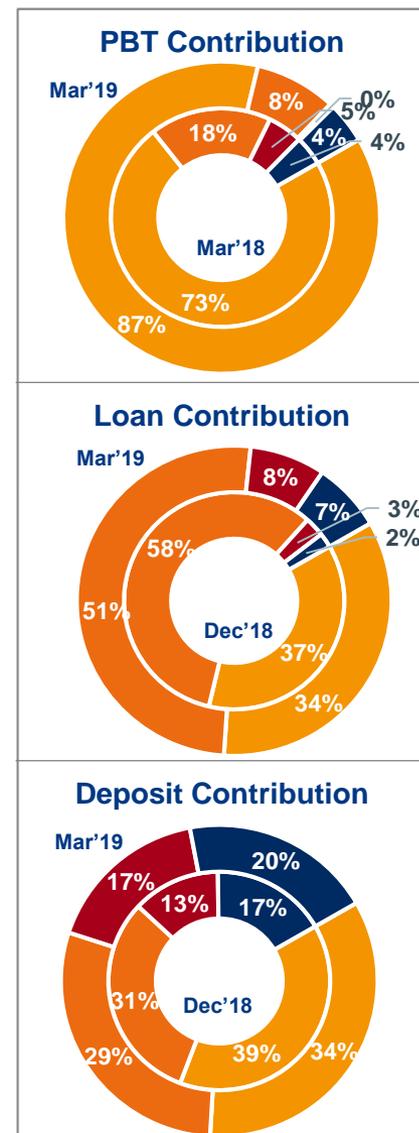
Underlying in ₹'m	Mar'19	Mar'18	%Δ
Total Revenue	32,820	36,663	(10)
Profit Before Tax	4,280	4,879	(12)
Underlying in ₹'m	Mar'19	Dec'18	%Δ
Loans and Advances	1,388,415	1,237,109	12
Customer Deposits	1,140,592	805,578	42



Underlying in ₹'m	Mar'19	Mar'18	%Δ
Total Revenue	9,041	20,502	(56)
Profit Before Tax	210	1,404	(85)
Underlying in ₹'m	Mar'19	Dec'18	%Δ
Loans and Advances	213,223	61,917	244
Customer Deposits	666,126	331,112	101



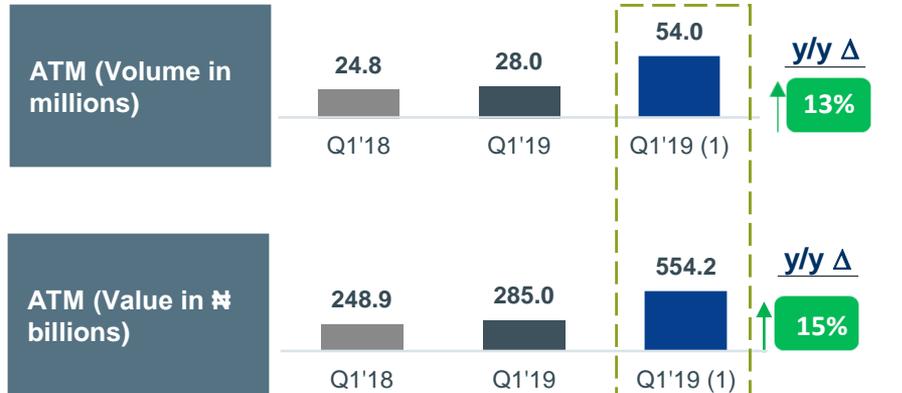
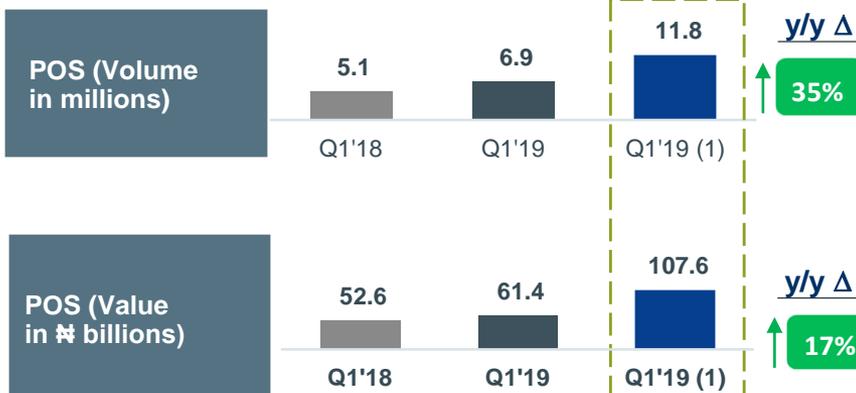
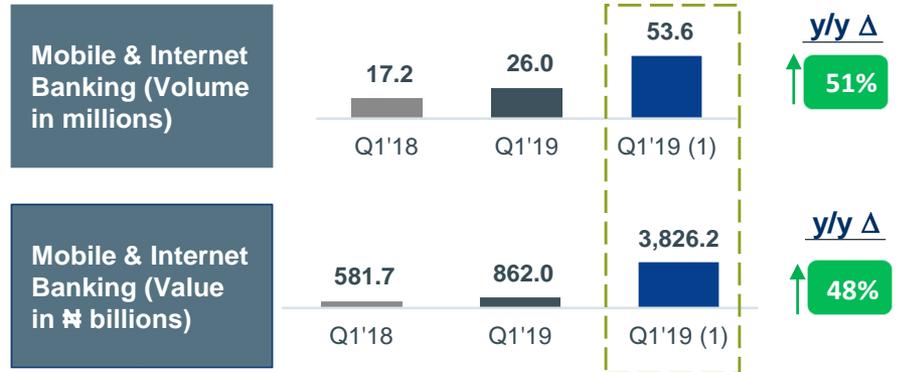
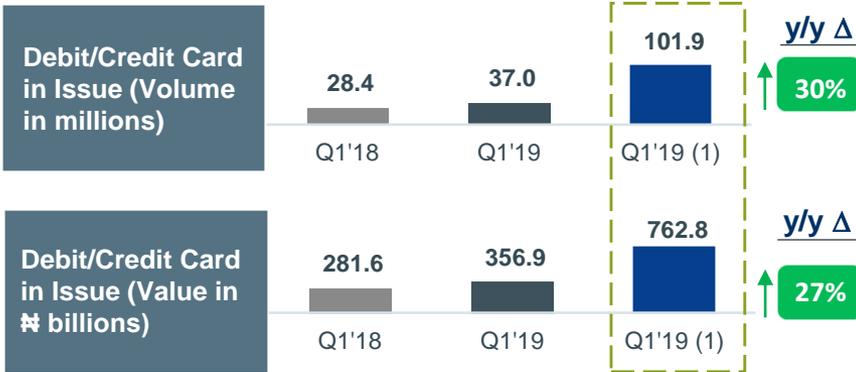
Underlying in ₹'m	Mar'19	Mar'18	%Δ
Total Revenue	16,661	22,494	(26)
Profit Before Tax	2,159	1,196	81
Underlying in ₹'m	Mar'19	Dec'18	%Δ
Loans and Advances	197,402	46,096	328
Customer Deposits	770,264	435,250	77



Enhancing Channels Performance (1)

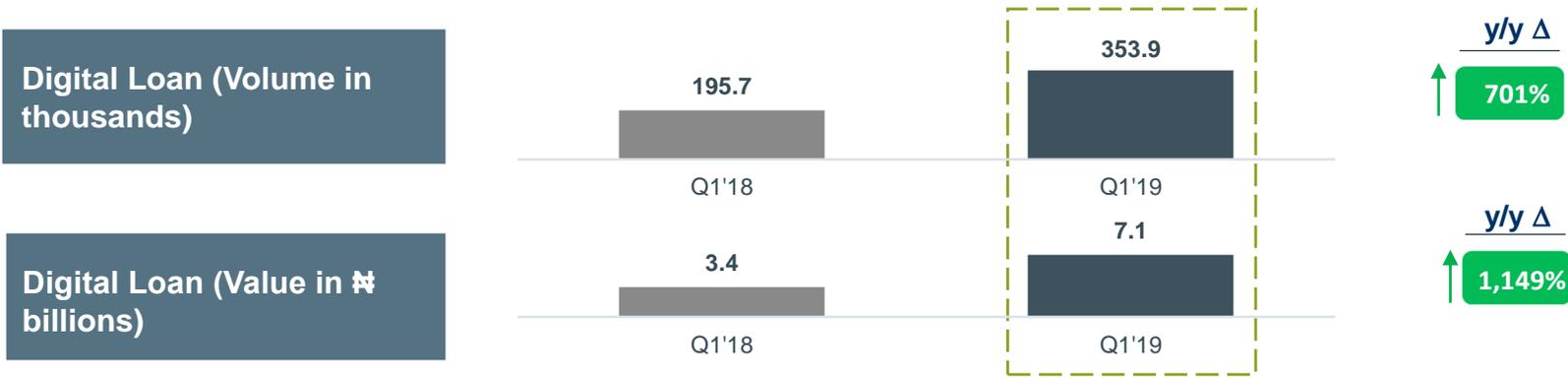
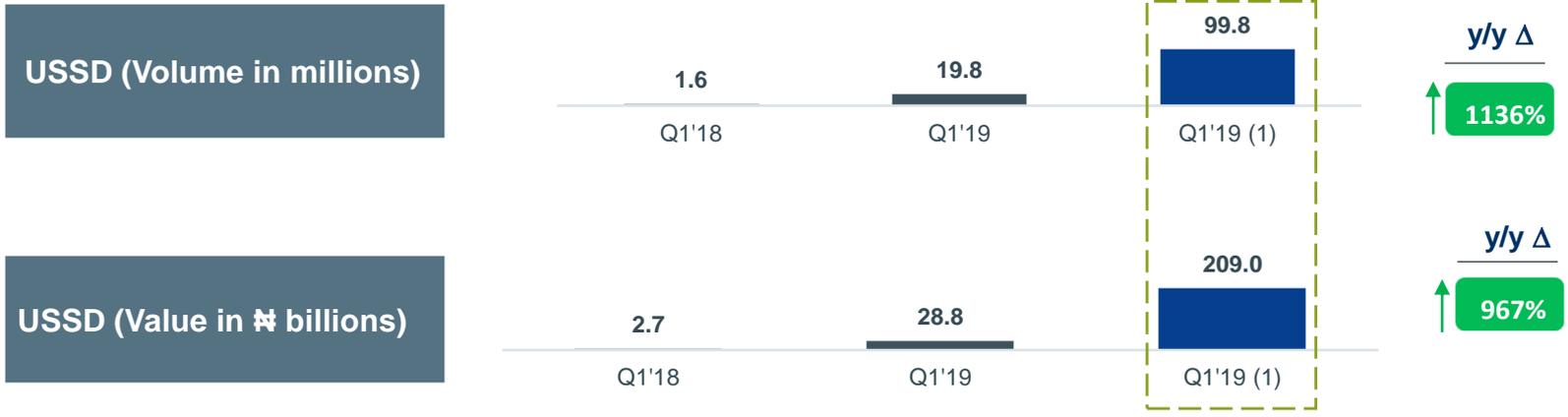


The Bank's focus on digital and mobile banking continues to gain increased adoption y/y, leading to increases in mobile revenue and app usage.



(1) Q1'19⁽¹⁾; Combined figures for Access Bank and Diamond Bank post-merger

Enhancing Channels Performance (2)



(1) Digital Loan figures derived from loan structures featured in the quick bucks application
 (2) USSD figures derived from *901# and *903# mobile applications
 (3) Q1'19⁽¹⁾; Combined figures for Access Bank and Diamond Bank post-merger

6. Subsidiary Performance Review

Subsidiary Performance Overview



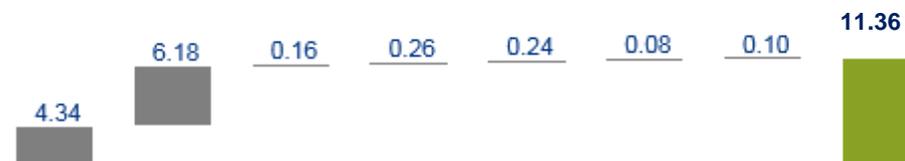
Financial Highlights

Underlying in ₦'million	United Kingdom	Ghana	Rwanda	R. D. Congo	Zambia	Gambia	Sierra Leone
Operating Income	7,176	9,407	908	1,330	850	270	261
Profit Before Tax	4,341	6,178	160	993	263	84	97
Total Assets	739,299	279,048	41,370	43,777	38,762	14,066	7,811
Loans and Advances	456,729	66,332	9,780	13,998	2,256	1,031	769
Total Deposits	639,654	192,101	34,458	29,967	30,119	9,662	5,861

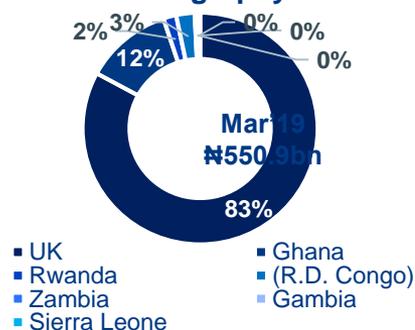
Key Messages

- Subsidiaries contribution to the group's performance remained flat y/y at 25%, recording total subsidiary PBT of ₦11.4bn up 60% y/y (Q1'18: ₦7.1bn)
- UK and Ghana accounted for 93% of total Q1'19 subsidiary PBT (Q1'18: 88%)
- Total loans for the subsidiaries stood at ₦550.9bn (+10% YTD), with total deposits at ₦941.8bn (-12%) due to enhanced deposit mobilization
- Total assets from subsidiaries stood at ₦1.16trn, a 10% reduction from ₦1.29trn in dec'18

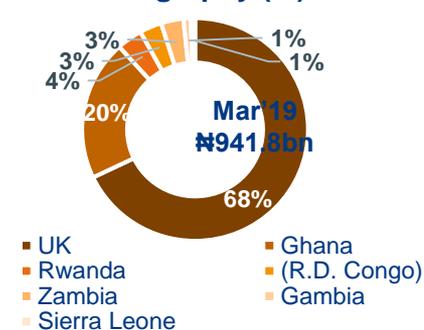
Profit Before Tax by Subsidiary (₦'bn)



Loan Contribution by Geography

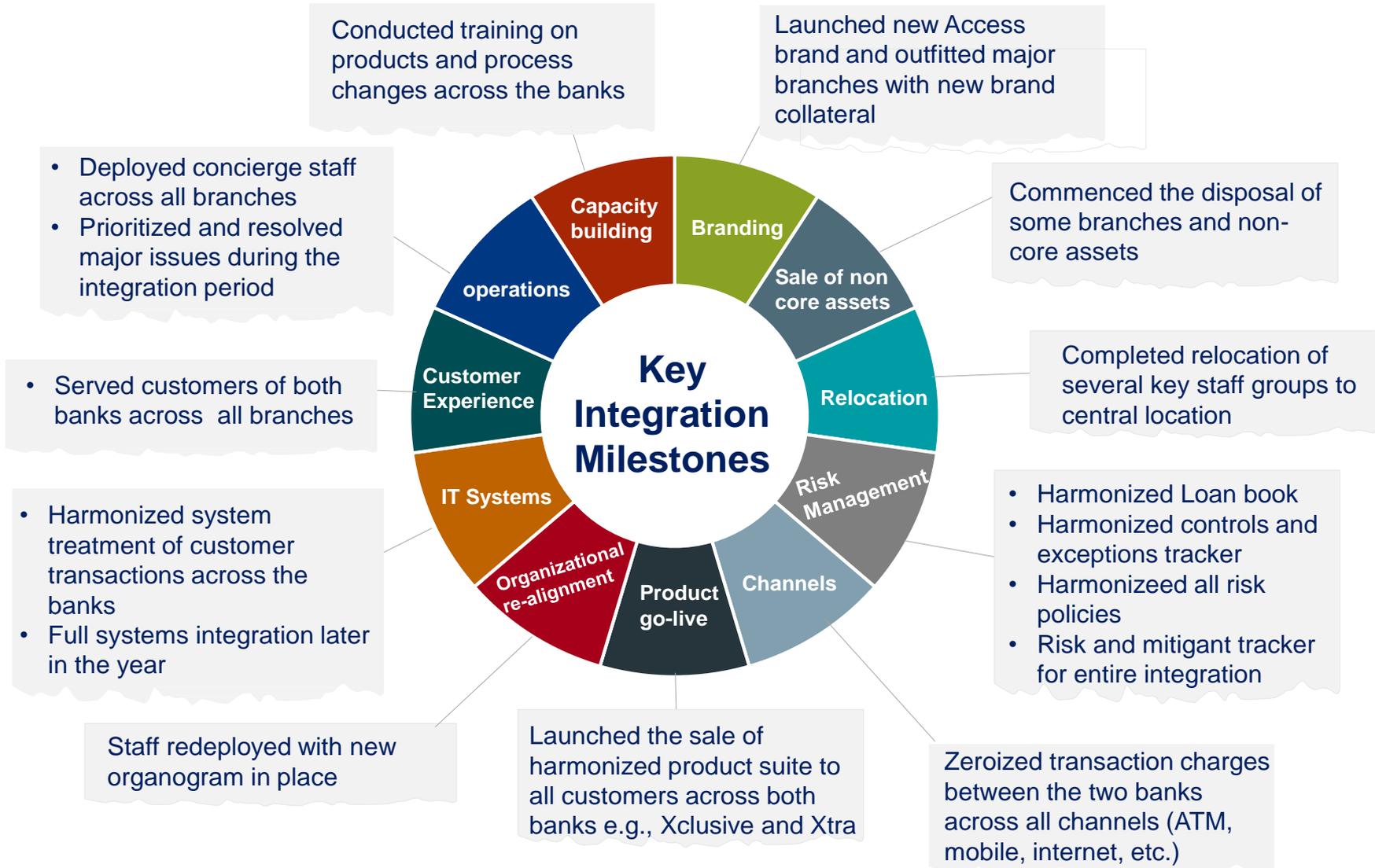


Deposit Contribution by Geography (%)



7. Merger Update

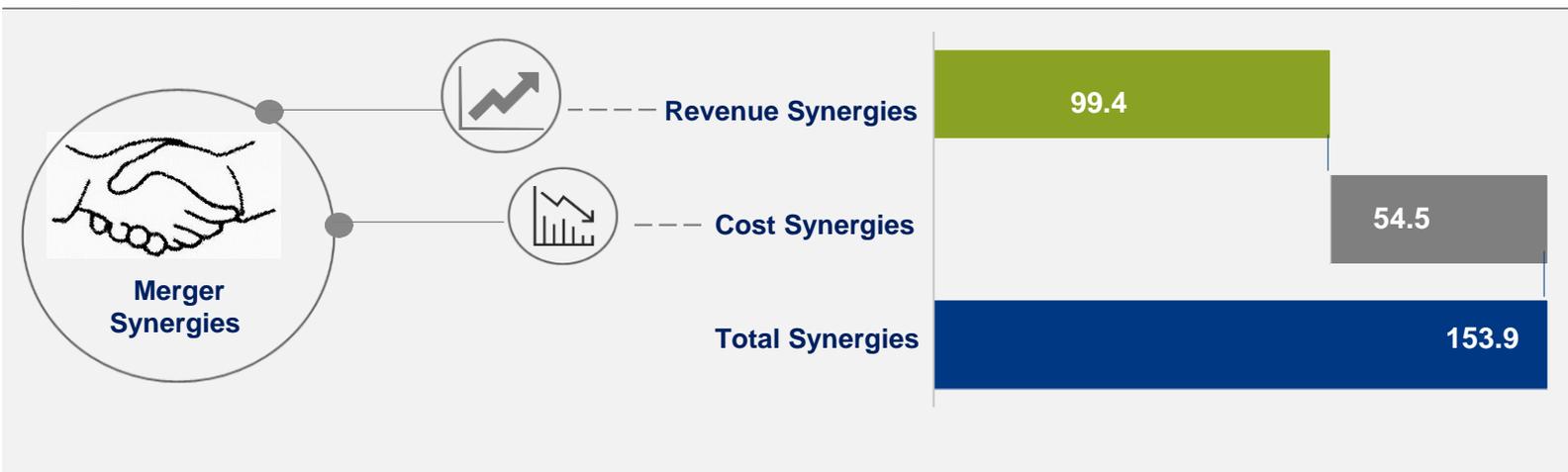
Integration Achievements – First 2 weeks



Synergy Realization

2019-2021 Run Rate and One- Off Synergies

NGN, billions



Cost Synergies Realized as at March 29th 2019

Synergy Value,
NGN, million

Risk Management	Loan Recovery – Costs Savings on Convergence Infrastructure	2,297
Enterprise Business	Sale of assets	355
IT	IT integration, data center consolidation e.g. Duplicate software, programs, and infrastructure	165
Branch & Retail Ops	Savings on CBN Cash Deposit and Transportation Fees	96
Financial Control	Depreciation Rate Alignment between Access and Diamond Bank and elimination of audit and credit rating fees	50

Thank you