

Group Unaudited Results for the Nine Months ended 30 September 2020

Access Bank delivered strong top-line figures despite a challenging and fast-changing macro and banking landscape, occasioned by the COVID-19 Pandemic and the consequent decline in oil price. This is an attestation to the effective execution of our strategies and strong risk management culture.

The Group recorded gross earnings of ₦592.8bn (+15% y/y), on the back of a 100% y/y growth in non-interest income to ₦217.5bn, buttressing the effectiveness of our strategy and capacity to generate sustainable revenue. We continued to grow our transaction banking income through the optimisation of our channels and electronic banking platforms (+105% y/y), notwithstanding the reduction in transaction charges following the revised guide to bank charges in December 2019. Despite the high cost of operating the enlarged franchise and increase in net impairment charge, Profit Before Tax stood at ₦116.6bn.

Customer deposits also grew by 24% YTD to ₦5.26trn in Sep' 2020 with a strong savings account deposits of ₦1.23trn. Similarly, net loans and advances grew by 15% to ₦3.53trn. We maintained a robust capital and liquidity positions of 21.1% and 48.0% respectively, well above regulatory levels. We recorded consistent growth in our retail banking business, as evidenced by the growth in customer sign-on by 3.2mn customers YTD via our financial inclusion strides. Transaction volume and value also grew based on our deliberate investments in digital banking.

Asset quality continued to improve as guided to 4.2%, on the back of impairment charges, strong recoveries and a robust risk management approach. This is expected to trend downwards as we strive to surpass the standard we had built in the industry prior to the merger with Diamond Bank.

We have continued to grow our African footprint in a capital-efficient and profitable manner, in furtherance of our vision to be the World's most respected African Bank and Africa's payment gateway. Our African expansion strategy is two-pronged; consolidating in markets we already exist (Mozambique and Zambia) to become major players, and entering into new key African markets and trade corridors (Guinea, Kenya and South Africa).

In addition, we have received the Central Bank of Nigeria's Approval-In-Principle for a holding company ("HoldCo") structure which will enable us further accelerate our objectives around business diversification, improved operational efficiencies, talent retention as well as robust governance.

The year has been challenging for all and I would like to appreciate our customers for their unwavering loyalty in these uncertain times. Recognizing the adverse effects of the recent events on our customers, we remain committed to delivering superior value to our customers and providing innovative solutions for the markets and communities we serve.

Going into the last quarter of the year, our focus remains on consolidating our retail momentum and expanding our African footprint. The next two years will see updates with regards the realization of synergies and actualization of the Bank's strategic intent. Finally, I would like to thank our people and shareholders as we could not have achieved these feats without their dedication, commitment and support.

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

Gross Earnings rose 15% y/y to ₦592.8bn in 9M 2020, (9M 2019: ₦513.7bn), with interest and non-interest income contributing 63% and 37% respectively. Interest Income declined by 7% y/y to ₦375.3bn in 9M 2020 (9M 2019; ₦405.0bn), largely driven by the falling yield environment which saw income on investment securities drop by 15% y/y to ₦118.8bn.

Non-Interest Income increased by 100% y/y to ₦217.5bn (9M'19: ₦108.6bn), largely led by the year-on-year growth in trading income. Transaction fees, Commissions and Other operating income accounted for 55% and Net trading income the balance of 45%. Included in Other operating income are recoveries of ₦24.8bn. We also had strong showing in our Channels and other E-business of ₦38.8bn(+105% y/y). These gains buttress the resilience of the Bank even in these uncertain period.

Profit Before Tax (PBT) for the period rose by 16% y/y to ₦116.6bn (9M 2019: ₦100.8bn), and Profit After Tax (PAT) also grew by 16% y/y to ₦102.3bn from ₦88.4bn in 9M 2019, on the back of a 29% y/y growth in Operating income despite the rise in Impairment Charges and Operating Expenses. Accordingly, Return on Average Equity (ROAE) stood at 21.2% with a Return on Asset (ROAA) of 1.8% in the period.

The assets base of the Bank remained strong and resilient with Total Assets of ₦7.93trn in September 2020, a growth of 11% YTD from ₦7.14trn in December 2019. Net Loans and Advances totaled ₦3.53trn as at September 2020 (December 2019: ₦3.06trn).

Customer Deposits increased by 24% YTD to ₦5.26trn in September 2020 from ₦4.26trn in December 2019. Low cost deposits (Current Accounts and Savings Accounts) accounted for 62.4% of the deposit base. Savings accounts deposits closed at ₦1.23trn as at September 2020.

Capital Adequacy Ratio (CAR) remained well above regulatory minimum at 20.3%, reflecting the adjusted impact of the IFRS 9 implementation. Similarly, **Liquidity ratio** of 48.0% (December 2019: 47.0%) remained well above regulatory requirements.

Non-Performing loans (NPL) ratio stood at 4.2% as at September 2020 (December 2019: 5.8%), on the back of a ₦70.1bn write-off and cautious restructuring in the period.

Net Interest Margin (NIM) of 5.1% in 9M 2020 from 6.8% in 9M 2019, while Average Cost of Funds (CoF) decreased 160bps y/y to 3.6% from 5.2% in 9M 2019 (Actual CoF in the period was 3.5%). Yield on Assets of 9.7%, down by 336bps y/y from 13.0% in 9M 2019. These are on the back of the declining yield environment.

Cost-to-Income Ratio (CIR) declined by 176bps y/y to 62.1% in 9M 2020 (9M 2019: 63.8%), despite the high cost of operation of the enlarged business scale. We continue to drive our cost transformation initiatives to minimize cost, which will result in improved efficiency ratios.

Group Financial Highlights

Income Statement

<u>In ₦'mn (unless stated otherwise)</u>	<u>9M 2020</u>	<u>9M 2019</u>	<u>%Δ</u>
Gross Earnings	592,787	513,656	15↑
Interest Income	375,284	405,025	7↓
Net Interest Income	196,274	210,218	7↓
Non-Interest Income	217,503	108,630	100↑
Operating Income	397,735	307,963	29↑
Operating Expenses	(246,872)	(196,550)	26↑
Net Impairment Charges	(34,240)	(10,611)	223↑
Profit before Tax	116,623	100,802	16↑
Profit for the Period	102,300	88,438	16↑
Earnings per Share (k)	290	271	7↑

Balance Sheet

<u>In ₦'bn (unless stated otherwise)</u>	<u>Sep. 2020</u>	<u>Dec. 2019</u>	<u>%Δ</u>
Loans and Advances	3,502	3,064	14↑
Total Assets	7,925	7,143	11↑
Customer Deposits	5,263	4,256	24↑
Shareholders' Funds	679	607	12↑

Key Profitability and Efficiency Ratios

<u>In (%)</u>	<u>9M 2020</u>	<u>9M 2019</u>	<u>Δ</u>
Net Interest Margin	5.1	6.8	1.7↓
Cost-to-Income Ratio	62.1	63.8	1.8↓
Return on Average Equity	21.2	21.3	0.1↓
Return on Average Assets	1.8	2.1	0.2↓

Key Balance Sheet Ratios

<u>In (%)</u>	<u>Sep. 2020</u>	<u>Dec. 2019</u>	<u>Δ</u>
Capital Adequacy Ratio	21.1	20.0	1.1↑
Liquidity Ratio	48.0	47.0	1.0↑
Loan-to-Funding Ratio (Bank)	50.7	62.9	12.2↓
Non-Performing Loans Ratio	4.2	5.8	1.6↓

Key Retail Metrics

	9M 2020	9M 2019	%Δ
Digital Loan Transaction count (~mn)	3	2	53↑
Digital Loan Transaction Value (~N'bn)	68	43	57↑
USSD Transaction Count (~mn)	403	243	66↑
USSD Transaction Value (~N'bn)	1,273	695	83↑
Debit & Credit Card Transaction Count (~mn)	297	271	10↑
Debit & Credit Card Transaction Value (~N'bn)	2,974	2,686	11↑
POS Transaction Count (~mn)	69	42	64↑
POS Transaction Value (~N'bn)	560	374	50↑
ATM Transaction Count (~mn)	192	151	27↑
ATM Transaction Value (~N'mn)	2,279	1,653	38↑
Mobile & Internet Transactions Count (~mn)	210	177	18↑
Mobile & Internet Transactions Value (~N'bn)	16,684	12,658	32↑
Savings account deposits (~N'bn)	1,228	821	50↑
Channels and other E-business Income (~N'bn)	38.8	19.0	105↑

Please visit the Investor Relations portal of the Bank's website to access the **9M 2020 Financial Statement**

For further information please contact:

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ABOUT ACCESS BANK

Access Bank Plc. is a leading full-service commercial Bank operating through a network of over 560 branches and service outlets, spanning three continents, 15 countries and over 36 million customers. The Bank employs over 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.

Listed on the Nigerian Stock Exchange since 1998, Access Bank is a diversified financial institution which combines a strong retail customer franchise and digital platform with deep corporate banking expertise and proven risk management and capital management capabilities. The Bank serves its various markets through four business segments: Retail, Business, Commercial and Corporate. The Bank has over 900,000 shareholders (including several Nigerian and International Institutional Investors) and has enjoyed what is arguably Africa's most successful banking growth trajectory in the last twelve years. Following its merger with Diamond Bank in March 2019, Access Bank has become one of Africa's largest retail banks by retail customer base.

As part of its continued growth strategy, Access Bank is focused on mainstreaming sustainable business practices into its operations. The Bank strives to deliver sustainable economic growth that is profitable, environmentally responsible and socially relevant, helping customers to access more and achieve their dreams.

www.accessbankplc.com

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