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INVESTOR DAY 2015

Creating Tomorrow Today

October 2015



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INVESTOR DAY 2015

Access Bank Overview

Herbert Wigwe, *Chief Executive Officer*

October 2015



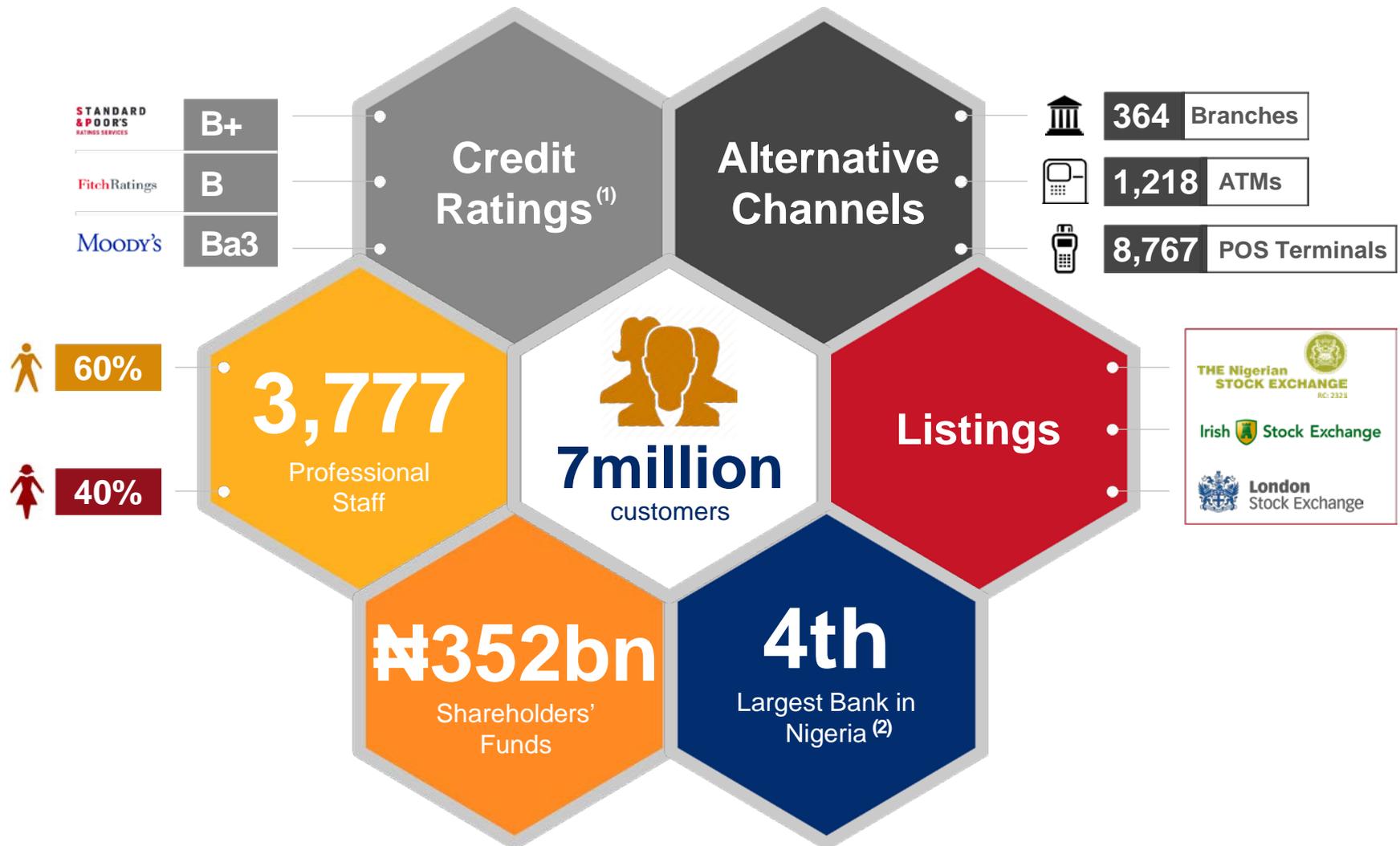


outline

- Overview of Access Bank
- Operating Environment
- Evolving Banking Landscape
- 2013 – 2017 Corporate Strategy Update
- Strategic Priorities for 2016/17

>>> Overview of Access Bank

Quick Facts



1) Long-term foreign currency and counterparty ratings
 2) Ranking based upon Profitability as at September 30, 2015

Corporate **Aspiration**



Corporate History

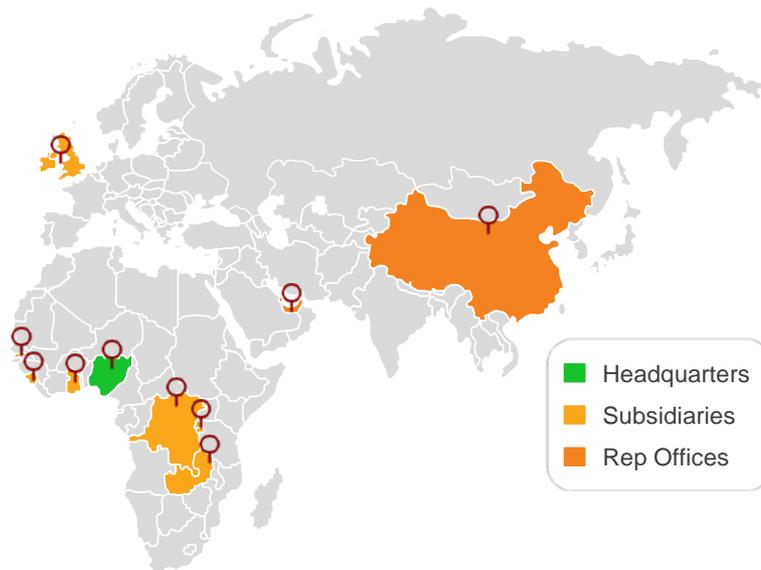
With a vision of becoming the most respected bank in Africa, Access Bank aspires to be a Top Three Bank in Nigeria by 2017



Source: Access Bank Financial Reports & Published Unaudited Management Presentations

International Network

Recognized as a **leading commercial bank in Nigeria** with a **distribution network across Sub Saharan Africa, UK, China & the UAE**



- Headquarters
- Subsidiaries
- Rep Offices

Headquartered in **Lagos, Nigeria**

7 Banking Subsidiaries

2 Rep Offices

Extensive and Strong Global Partnerships

Correspondent Banks

Over \$2 billion in Trade Finance Lines



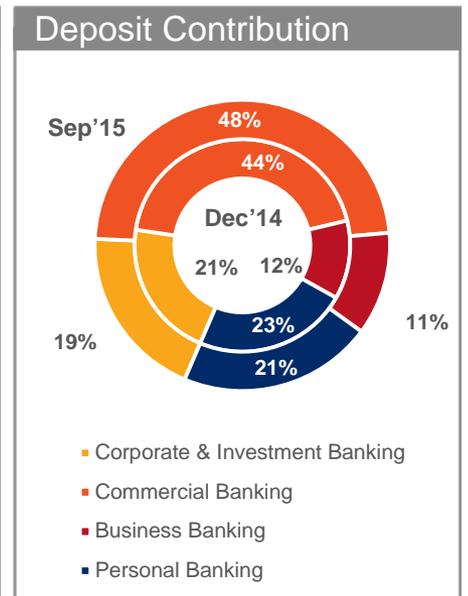
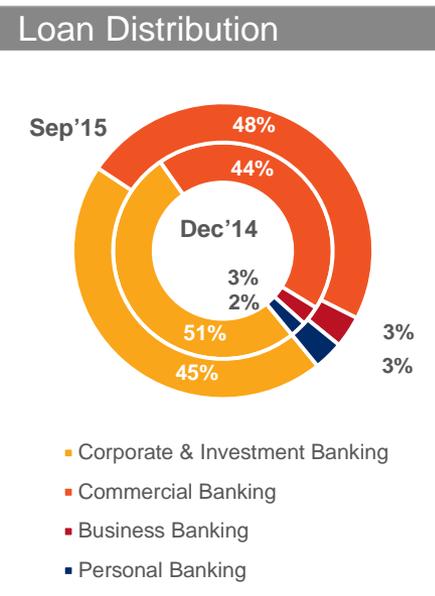
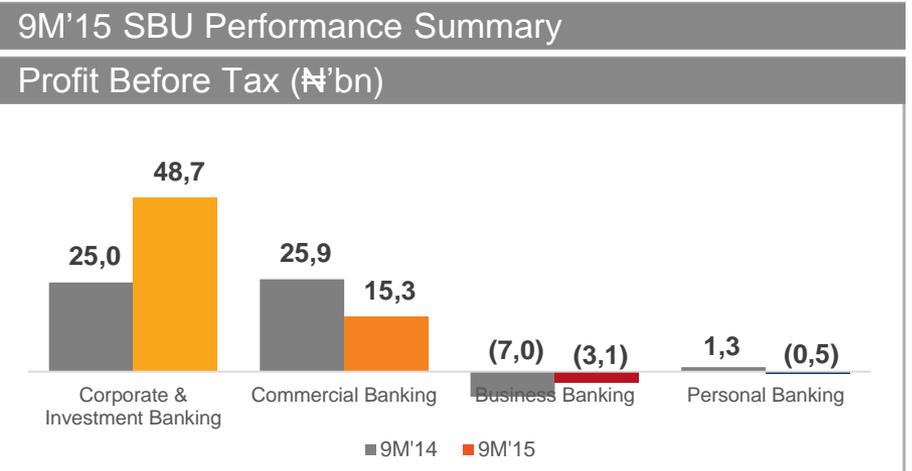
Development Finance Institutions (DFIs)

Over \$360 million raised from 2007 till date



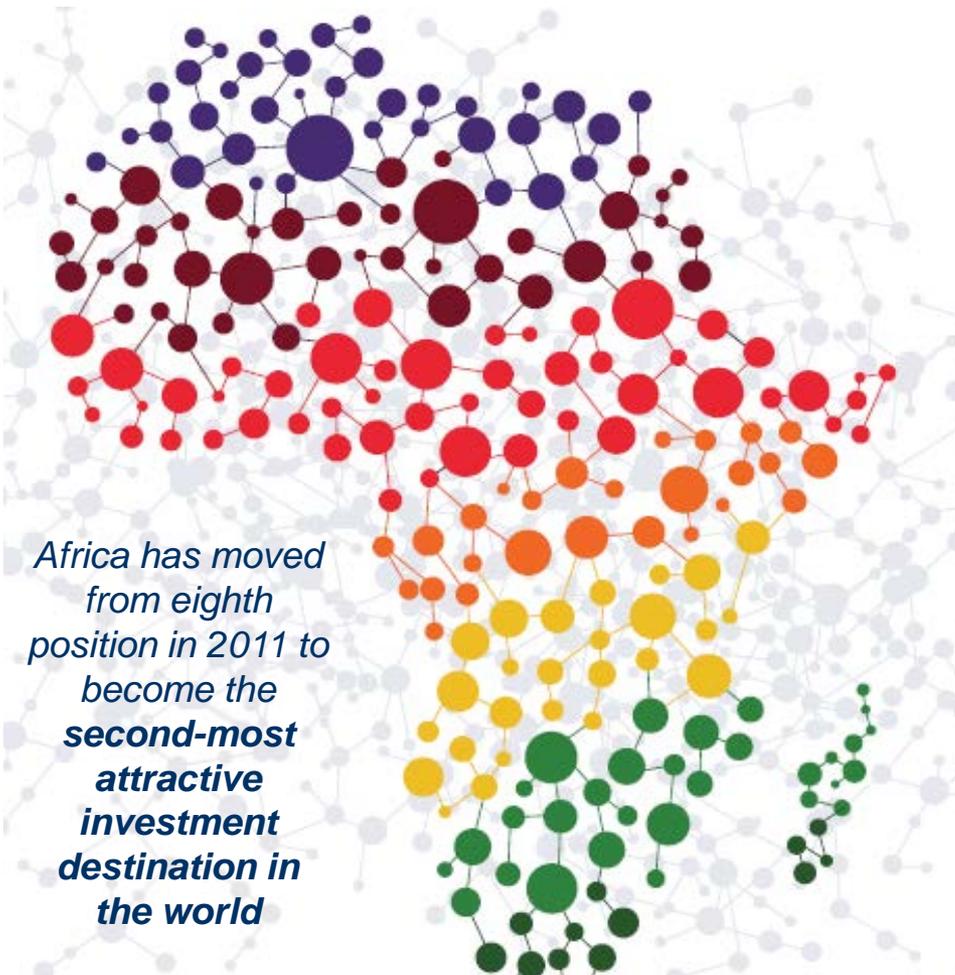
Business Segmentation

Wholesale	
<p>Corporate & Investment Banking</p>	<p>Commercial Banking Division</p>
<p>nearly 600 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> Multinational, well-structured large companies with annual turnover exceeding ₦10 billion Segments include: <ul style="list-style-type: none"> Cement & Construction Telecommunications Manufacturing Upstream Oil & Gas Downstream Oil & Gas Transportation Agriculture Financial Institutions 	<p>over 170,000 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> Incorporated companies with an annual turnover greater than ₦1 billion, but less than ₦10 billion Customer segments include: <ul style="list-style-type: none"> Federal, State & Local Government MDAs Corporate & Investment Banking Value Chain Asian Corporates Local Corporates
Retail	
<p>Business Banking Division</p>	<p>Personal Banking Division</p>
<p>more than 300,000 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> 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 	<p>about 6.5 million customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> The Division caters to the following classes of individuals: <ul style="list-style-type: none"> Ultra High-Net-Worth Individuals (UHNIs) High-Net-Worth Individuals (HNIs) Affluent Professionals Employees in the Value Chain Students Pensioners Informal Traders



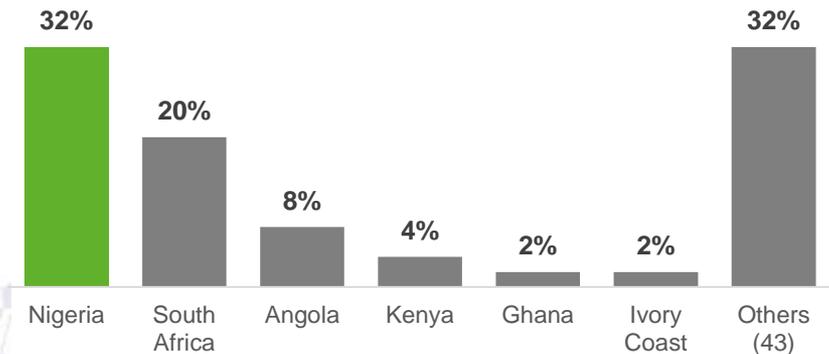
>>> Operating Environment

African Momentum



*Africa has moved from eighth position in 2011 to become the **second-most attractive investment destination in the world***

GDP distribution across Sub-Saharan Africa



- **Large and aspiring consumer market with increasing discretionary income:**
 - Consumer spending is expected to increase from \$680 billion in 2008 to \$2.2 trillion by 2030
- **Strong GDP growth:**
 - Africa's GDP growth is expected to remain close to 6%, thus making it the fastest growing continent in the world
- **Rise in foreign direct investment (FDI):**
 - FDI into Sub-Saharan Africa has significantly increased, owing largely to expanded trade relations with China, India and Brazil
- **Nigeria remains the most attractive investment destination in Africa:**
 - The GDP of Lagos is equal to that of the fourth largest economy in Africa

Africa's cities are now emerging as hotspots of economic and investment activity on the continent

Nigerian Economy

Nigeria is the largest economy in Africa and forecast to remain one of the fast growing economies in the world

Slowed economic growth on the back of lower oil prices and decreasing government revenues

Nigeria is the most populous country in Africa and its population is expected to expand at a CAGR of ~2.6% in the coming years

Source: NBS, BMI

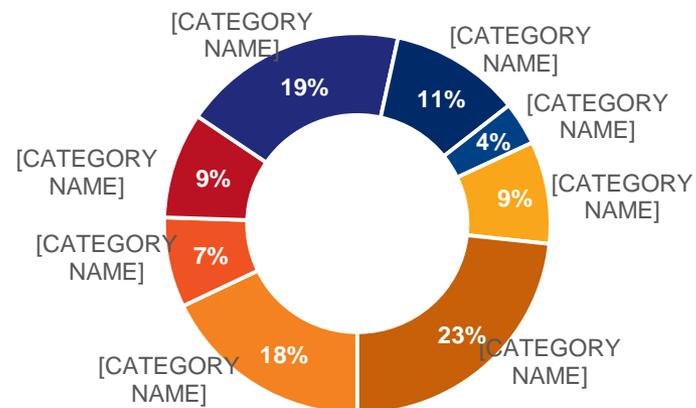
Key Macroeconomic Indicators



Macro and Demographic Data (2014)

Metrics	Nigeria	South Africa
Population (million)	177.5	54.0
Population growth rate (%)	2.7%	1.0%
Nominal GDP (USDbn)	546	350
Real growth in GDP (%)	6.3%	1.5%
GDP per capita (USD)	3,074	6,585
\$ exchange rate (LCU / USD)	183.45	11.57

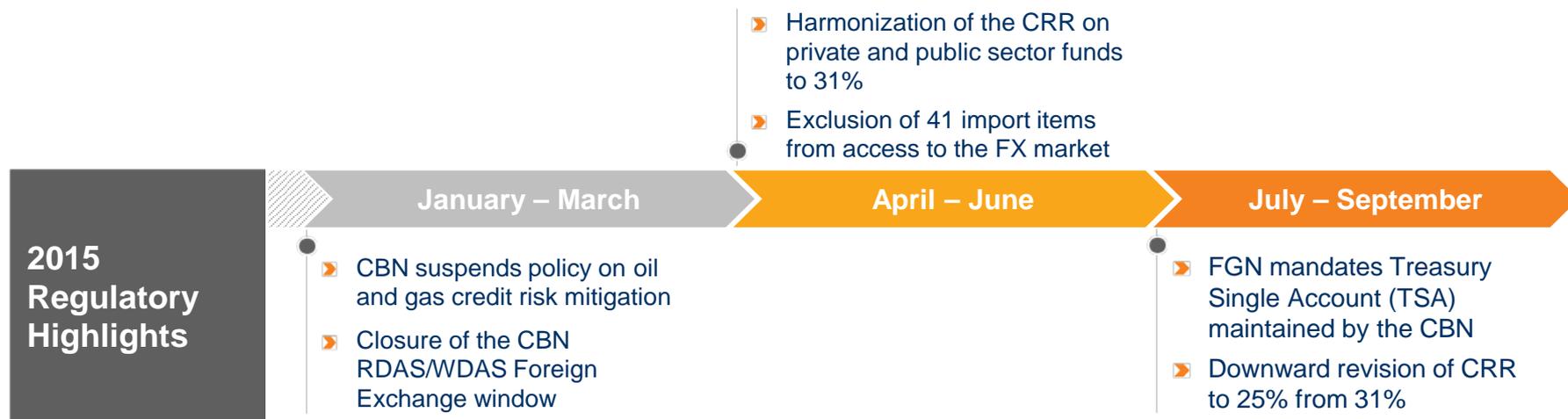
GDP Contribution by Sector (as at Q2'15)



Comments

- Non-oil sectors are the key drivers of the economy and have delivered greater, less volatile growth
 - Agriculture and Trade contributing 18% and 19%, respectively as Q2'15
- Increased pressure on the Naira resulting from continued widening of the FX rate differential
- Bonny Light price averaged \$51.4pb in Q3'15. Sustained low oil prices have triggered a 15% decline in Nigeria's external reserves to \$30.3bn in Q3'15 (Q4'14: \$34.5bn)

Banking Industry



Outlook
(Implications on the Banking Industry)

1	<p>Slowed Lending Activity</p> <ul style="list-style-type: none"> ▶ Heightened risk consciousness amid lower oil prices and FX volatility ▶ Expected economic policy announcements will guide lending to key growth sectors ▶ Weaker earnings on account of muted lending 	3	<p>Asset Quality</p> <ul style="list-style-type: none"> ▶ Rising threat of impaired loans will increase provisioning, thus hampering profitability ▶ This reflects high credit concentrations as well as emerging risks in the oil and gas and power sectors
2	<p>Liquidity</p> <ul style="list-style-type: none"> ▶ ~₦1.2trn sterilized from banks owing to FGN's directive on TSA ▶ However, CRR reduction is expected to boost local currency liquidity by ₦530bn ▶ Tight dollar liquidity due to continued FX volatility and falling oil revenues 	4	<p>Scale</p> <ul style="list-style-type: none"> ▶ Scale remains a competitive advantage in the industry ▶ Increased pressure on capital owing to shift to Basel II and CBN's revised regulatory capital computation rules

>>> Evolving Banking Landscape

Emerging Trends

Key forces challenging the banking landscape

Implications for 2016 and beyond



Regulation and Cost of Compliance

reshaping and redefining industry business models



Capital

gaining adequate capital headroom to drive future growth



Increasing Role of Technology, Innovation and Market Disruptions

becoming a potent enabler of increased service and reduced cost; innovation is imperative



Demographics

changing priorities and opportunities for growth



Social and Behavioral Change

leading the way for disruption of retail banking, personal finance, payments and lending

- ✓ Leading institutions will practice proactive regulatory and risk management
- ✓ Increased pressures on revenues and profitability
- ✓ Constrained business growth given current capital levels and tighter monetary policies
- ✓ Winning banks will be those that have sufficient capital to support their long-term growth objectives
- ✓ The smart device will grow in importance, and take its place alongside cards as the primary medium for consumer payment
- ✓ Banking the unbanked will become a primary policy objective in both developed and emerging markets
- ✓ Fee-based revenues will increase
- ✓ Banks will organize themselves around customers instead of products or channels
- ✓ Social media has created a new source of publicity with which banks must contend

These trends have implications for the way customers are served and how the market will evolve, particularly within the retail market

Digital Play

To respond to increasingly sophisticated customer behavior, **Access Bank is pursuing an integrated digital strategy to unlock new markets and revenue streams**



Our Traditional Revenues



Differentiating Factors

FROM

“My Money”

TO

“My Lifestyle”



Income



Expenses



Payments



Current Assets



Loyalty Programs



Micro Insurance



Advertising and Coupons



Micro Savings



Building Lifestyle Ecosystems

>>> 2013 – 2017 Corporate Strategy Update

Strategy Roadmap



Performance Scorecard

Access Bank has grown consistently over the past decade owing largely to focused and effective implementation of its strategic objectives

The Bank is a top 5 Bank by assets, customer deposits and profitability

Improved performance across key financial metrics on the back of strong earnings and asset growth

2007		2012		9M'15	
Ranking	#9	Ranking	#6	Ranking	#4
Customers	600,000	Customers	4,000,000	Customers	7,000,000
ROE	25%	ROE	18%	ROE	20.4%
ROA	2.6%	ROA	2.4%	ROA	3.6%
CIR	62%	CIR	61%	CIR	59.6%
Deposits	₦86bn	Deposits	₦1.3trn	Deposits	₦1.6trn
Assets	₦409bn	Assets	₦1.7trn	Assets	₦2.4trn
Market Cap	₦342bn	Market Cap	₦241bn	Market Cap	₦154bn
Branches	118	Branches	349	Branches	364

2nd Five-Year Plan

3rd Five-Year Plan

>>> Strategic Priorities for 2016/17

Six Priorities

Building a successful bank of the future will **require a clear strategy that adequately addresses the following six priorities:**

Focus	Response	Initiatives
<p>Enabling innovation, and the capabilities required to foster it</p>	<ul style="list-style-type: none"> ▶ Cultivating an innovation culture and creating platforms to develop market disruptive solutions for our customers 	<p>PayWithCapture*</p>
<p>Creating an omni-channel platform</p>	<ul style="list-style-type: none"> ▶ Deploying flexible and reliable channels infrastructure that permeates customers needs across all segments through an enjoyable omni-channel experience 	<p>CR2</p>
<p>Developing a customer-centric business model</p>	<ul style="list-style-type: none"> ▶ Redefining our processes to provide our customers an experience that engages on an emotional level 	<p>Winning With Service</p>
<p>Leveraging big data and analytics</p>	<ul style="list-style-type: none"> ▶ Utilizing customer transaction data to create an intuitive understanding of customer needs to deliver personalized value propositions 	<p>Data Governance</p>
<p>Boosting value chain banking</p>	<ul style="list-style-type: none"> ▶ Creating an ecosystem using our client base to provide a robust bouquet of products and services within a network 	<p>Value Chain Optimisation</p>
<p>Proactively managing risk and capital</p>	<ul style="list-style-type: none"> ▶ Enhancing our risk management framework to create sustainable shareholder value whilst optimally allocating capital to emerging opportunities 	<p>Risk & Finance Transformation</p>

* A universal NFC payment platform addressing payment challenges in environments with frequent card payment failures due to connectivity issues



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INVESTOR DAY 2015

Financial Overview

Seyi Kumapayi, *Chief Financial Officer*

October 2015





outline

- Key Messages

- Financial Evolution

- Looking Forward

>>> Key Messages

Key Messages



Gross Earnings

¥258bn

9M'14: ¥182bn

Strong Earnings Growth

- ▶ 42% y/y increase in gross earnings largely driven by 106% y/y growth in non-interest income to ¥102bn in 9M'15 (9M'14: ¥50bn)



Profit Before Tax

¥60bn

9M'14: ¥42bn

Improved Profits

- ▶ 43% y/y growth in pre-tax profit mainly resulting from strong contribution of non-interest income



NPL Ratio

1.7%

Dec'14: 2.2%

Improved asset quality

- ▶ NPL ratio reduced from 2.2% in Dec'14 to 1.7% in Sep'15 reflecting the Bank's continued improvement in asset quality



Cost-to-Income

59.6%

9M'14: 61.2%

Enhanced Cost Efficiency

- ▶ Cost-to-Income Ratio (CIR) improved y/y by 160bps to 59.6% in 9M'15, benefiting largely from significant improvement in earnings

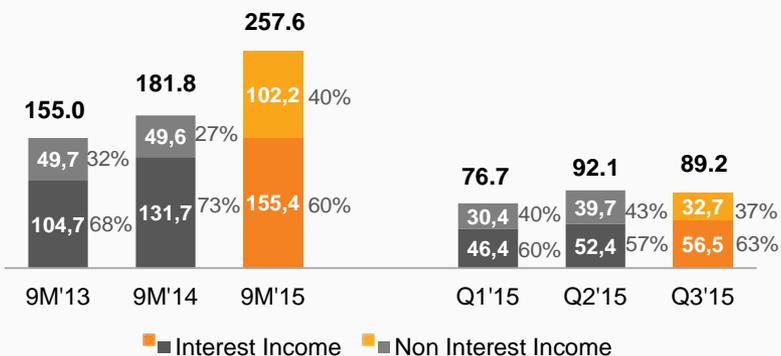
>>> Financial Evolution

Group Financial Highlights

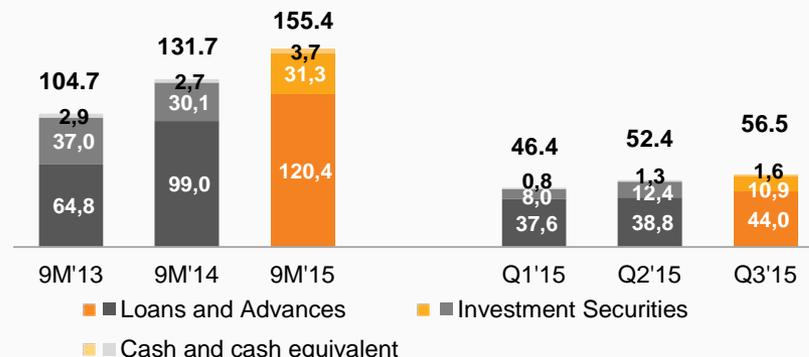
1 Profitability		9M'15	9M'14	Δ
	Gross Earnings (₦'m)	257,559	181,797	42%
	Operating Income (₦'m)	178,094	125,578	42%
	Impairment Charges (₦'m)	(11,551)	(6,959)	51%
	PBT (₦'m)	60,372	42,156	46%
	EPS (₦)	2.01	1.57	28%
	Cost to Income (%)	59.6	61.2	(1.6)
2 Balance Sheet		Sept'15	Dec'14	Δ
	Loans and Advances (₦'bn)	1,312	1,123	17%
	Total Assets (₦'bn)	2,402	2,104	14%
	Customer Deposits (₦'bn)	1,558	1,454	7%
	Shareholders' Fund (₦'bn)	352	277	27%
3 Prudential & Performance Ratios		9M'15	FY'14	Δ
	After-Tax ROAE (%)	20.4	16.5	5.0
	Capital Adequacy (%)	21.7	18.0	3.7
	Liquidity (%)	36.3	36.0	0.3
Loans to Deposit (%)	76.4	71.4	5.0	

Revenue

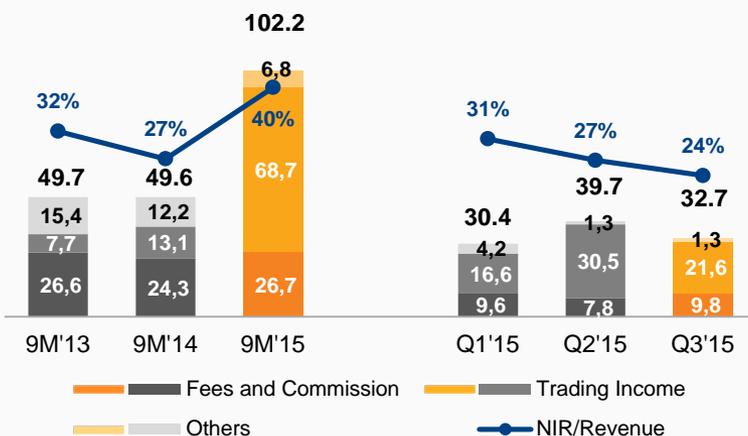
Gross Earnings y/y (₦'bn)



Interest Income (₦'bn)



Non-Interest Income (₦'bn)

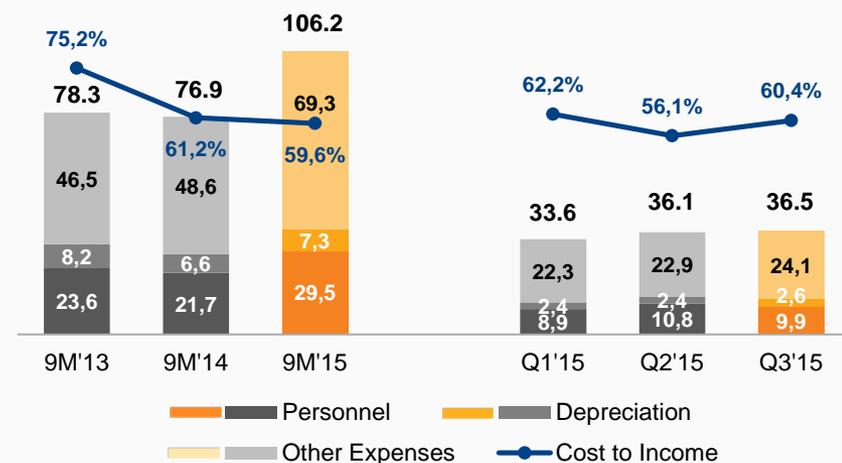


Highlights

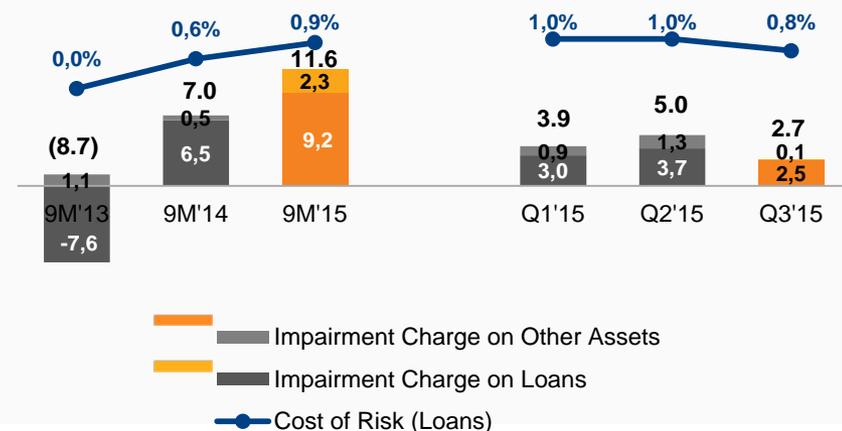
- ▶ Gross earnings grew by 42% y/y to ₦257.6bn in 9M'15 (9M'14: ₦181.8bn) largely driven by strong growth in trading income
- ▶ Interest income increased by 18% y/y to ₦155.4bn in 9M'15 (9M'14: ₦131.7bn) driven by 22% y/y growth in income from loans and advances
- ▶ Non-interest income grew by 106% y/y to ₦102.2bn in 9M'15 (9M'14: ₦49.6bn) as a result of increased net gains from trading.
- ▶ However, net trading income dropped from ₦30.5bn in Q2'2015 to ₦21.6bn in Q3'2015 to maturity of some of the underlying trading transactions
- ▶ Commission and Fees was up 10% y/y and 36% q/q

Operating Expenses & Impairment Charges

Operating Expenses (₺'bn)



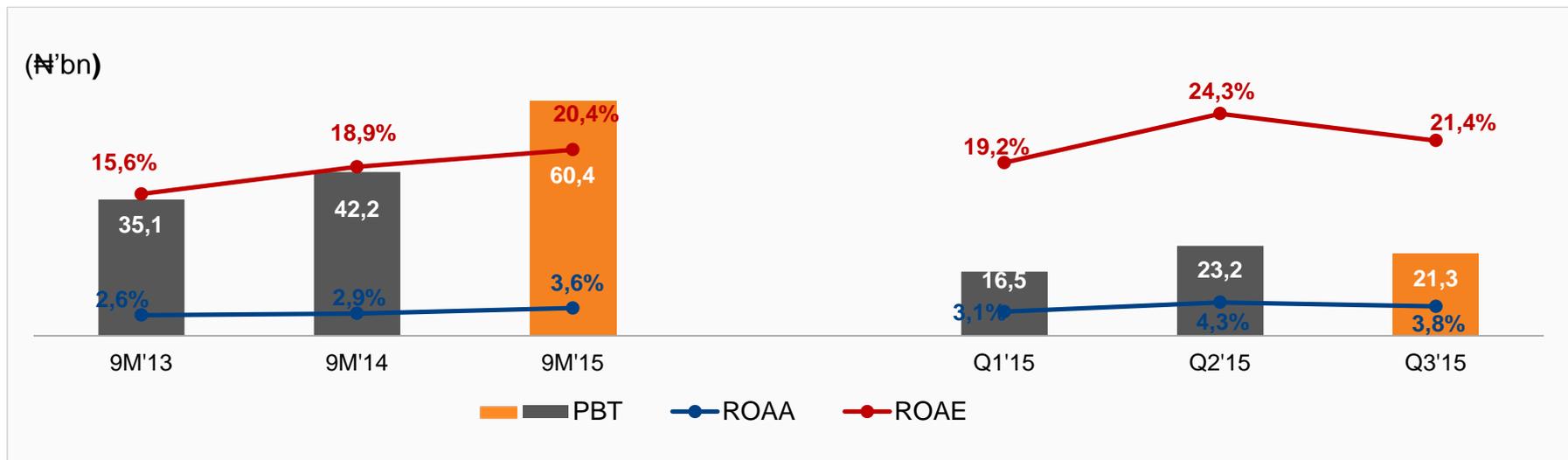
Impairment Charges (₺'bn)



Highlights

- ▶ Operating expenses grew by 38% y/y to ₺106.2bn in 9M'15 (9M'14: ₺76.9bn), and remained flat q/q
- ▶ Key drivers:
 - Recruitment and training of staff to boost retail market penetration
 - Investment in brand equity development, particularly in the retail segment, through increased marketing activities
 - Upgrade of IT solutions to improve business processes and service delivery to customers
- ▶ Cost-to-Income Ratio (CIR) improved to 59.6% in 9M'15 (9M'14: 61.2%), benefitting largely from improved earnings
- ▶ In line with the Bank's stricter methodology on provisioning, the impairment charge stood at ₺11.6bn in the period (9M'14: ₺7.0bn), with a corresponding rise in cost of risk to 0.9% during the same period (9M' 2014: 0.4%)
- ▶ The Bank will continue to monitor and improve the quality of its risk assets to minimize credit impairment losses

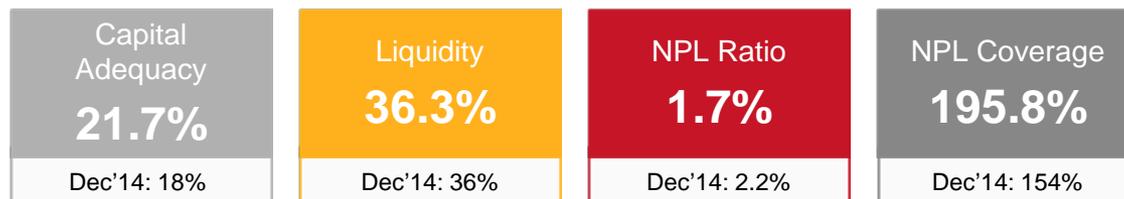
Profitability



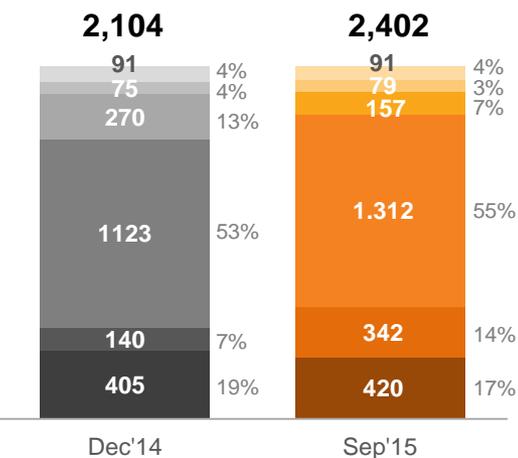
Highlights

- ▶ PBT increased by 43% y/y to ₺60.4bn in 9M'15 (9M'14: ₺42.2bn)
- ▶ Key drivers:
 - 22% y/y increase in interest income from loans and advances to ₺120.4bn (9M'14: ₺99.0bn)
 - 106% y/y increase in non-interest income owing largely to strong trading gains
- ▶ ROA improved by 70 bps y/y to 3.6% in 9M'15 (9M'14: 2.9%)
- ▶ ROE grew to 20.4% in 9M'15 (9M'14: 18.9%) driven by improved profitability. However, this was diluted by the ₺41.7bn capital injection in the third quarter

Balance Sheet Snapshot

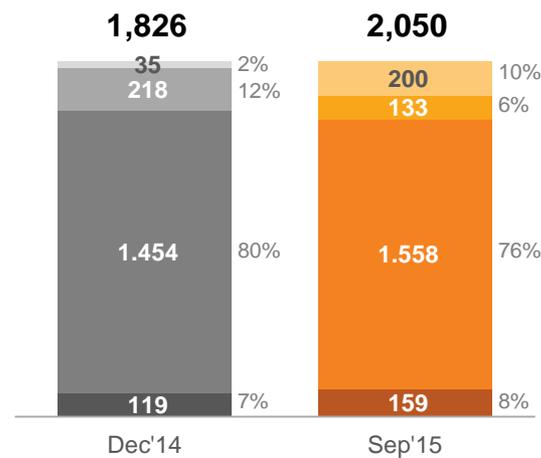


Total Assets (₦'bn)



■ Cash & Cash Equivalents ■ Trading & Pledged Assets
■ Loans & Advances ■ Investment Securities
■ Fixed Assets & Intangibles ■ Other Assets

Total Liabilities (₦'bn)



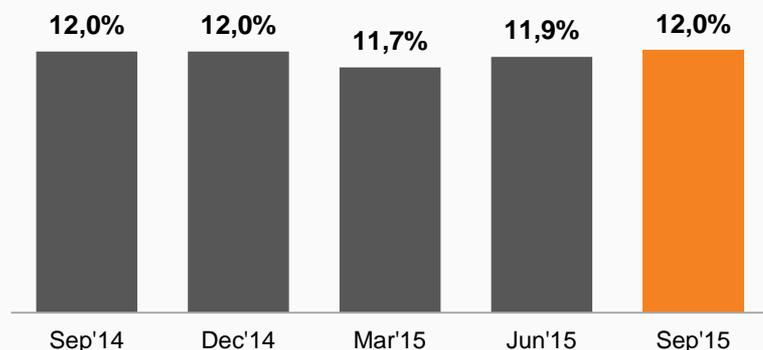
■ Deposits from Banks ■ Deposits from Customers
■ Interest Bearing Loans ■ Other Liabilities

Highlights

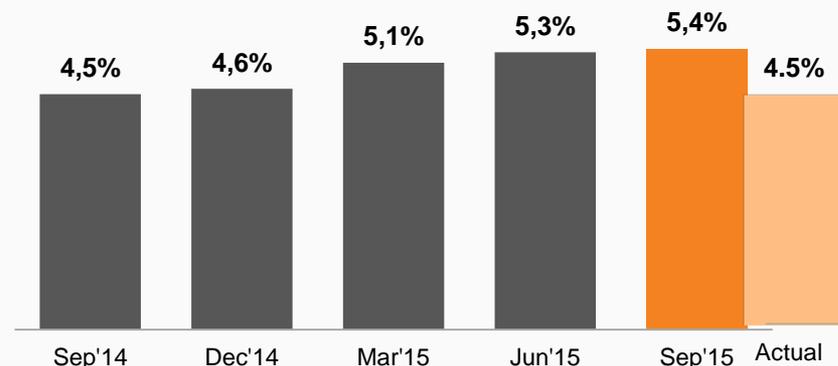
- ▶ Total assets grew to ₦2.4trn in the period (Dec'14: ₦2.1trn) largely driven by increased investments in high-yield government securities
- ▶ Loans and advances stood at ₦1.3trn in Sep'15 representing a 17% YTD increase from ₦1.1 trn in Dec'14
- ▶ Customer deposits increased by 7% to ₦1.6trn in Sep'15 from ₦1.5trn in Dec'14, reflecting continued implementation of the Bank's customer engagement strategy
- ▶ Trading and pledged assets grew by 145% YTD to ₦342bn in Jun'15 (Dec'14: ₦140bn) driven by significant investments in high-yielding government bonds and treasury bills
- ▶ The Bank's robust risk management practices led to a 500bps drop in its NPL ratio from 2.2% in Dec'14 to 1.7% in 9M'15

Margin Analysis

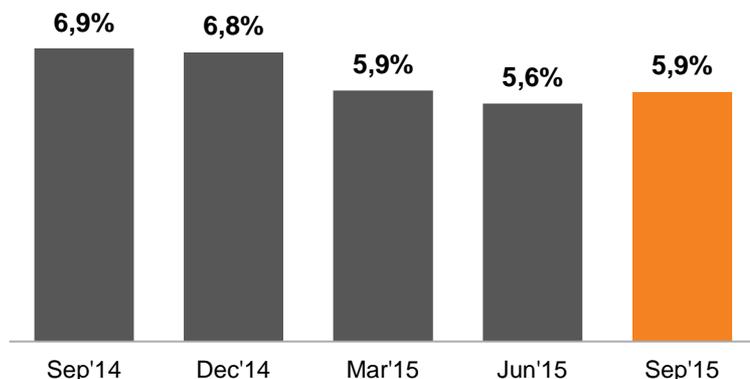
Yield on Assets



Cost of Funds



Net Interest Margin

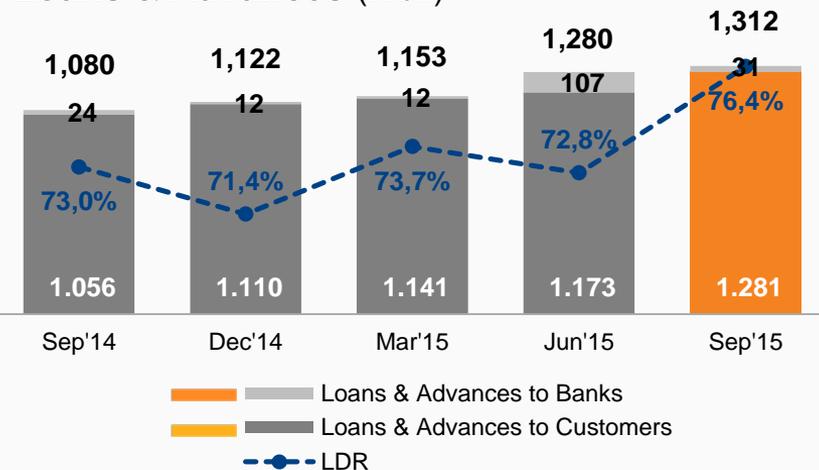


Highlights

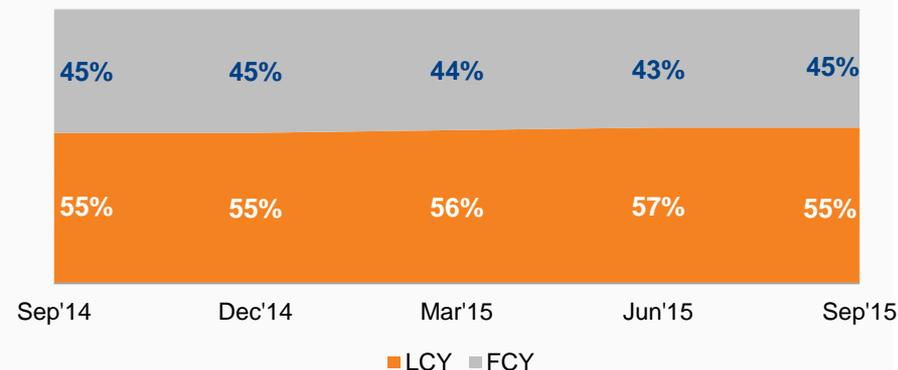
- ▶ Yield on Assets (YOA) remained relatively flat at 12% ytd from Dec'14
- ▶ Tighter system liquidity and regulatory environment (CRR harmonization of private and public funds) negatively impacted our Cost of Funds (CoF), resulting in a q/q increase from 5.3% in Jun' 15 to 5.4% in Sep'15
- ▶ Net Interest Margin (NIM) declined by 100bps y/y to 5.9% in Sep'15 largely driven by increasing funding costs due to a higher interest rate environment. However, NIM improved q/q by 30bps from 5.6% in Jun'15

Asset Quality

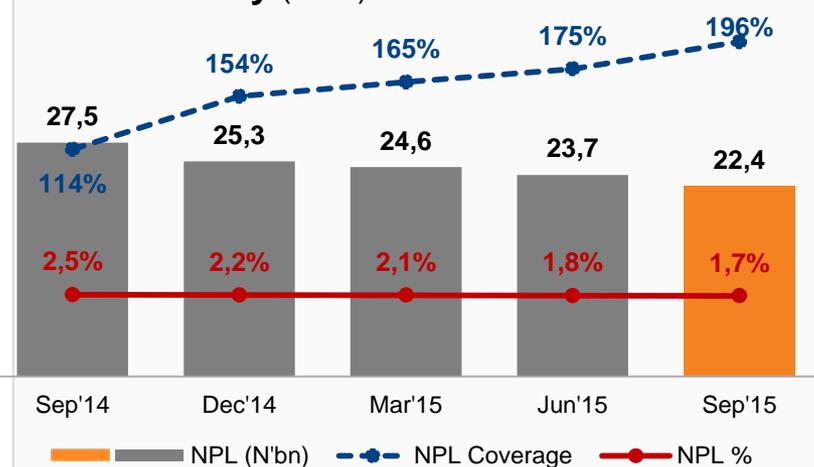
Loans & Advances (₦'bn)



Loan Analysis by Currency



Asset Quality (₦'bn)

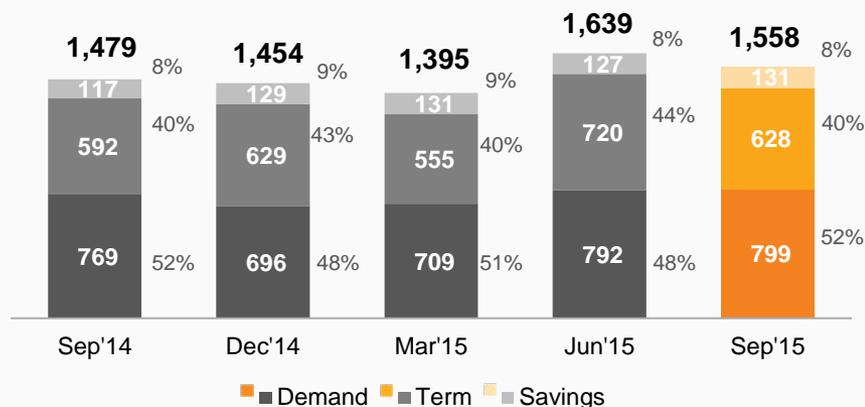


Highlights

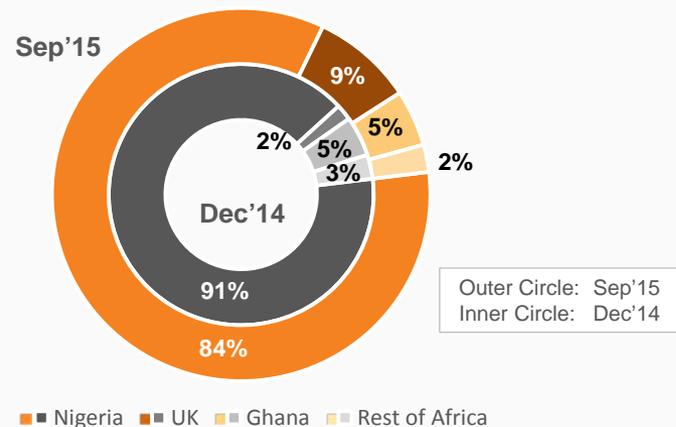
- ▶ The Group's loan book grew by 17% ytd to ₦1.3trn in Sep'15 (Dec: ₦1.1trn) despite macro instability, regulatory headwinds and political uncertainty witnessed during the period under review
- ▶ LDR increased to 76.4% in Sep'15, up 360bps from 72.6% in Jun'15. Increase in LDR was driven by the 5% reduction in customer deposits resulting from the impact of the TSA implementation
- ▶ Sustained improvement in asset quality with NPLs declining to ₦22.4bn in Sep'15 (Dec'14: ₦25.3bn), leading to an improved NPL ratio of 1.7% in Sep'15 (Dec'14: 2.2%)
- ▶ NPLs are adequately covered by provisions (including regulatory reserves) as coverage ratio rose considerably from 154.0% in Dec'14 to 195.8% in Sep'15

Deposit Mix

Customer Deposits (N'bn)



Deposits by Region



Highlights

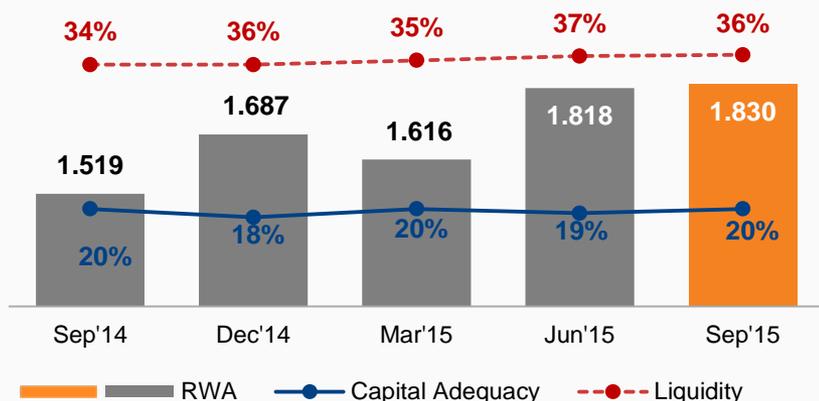
- Customer deposits grew by 7% ytd to ~~N~~1.6trn in Sep'15 from ~~N~~1.5trn in Dec'14 on the back of continued effective execution of its customer engagement strategy
- In the period under review, current and savings account balances accounted for 60% of total deposits, while term deposits constituted 40% of total deposits
- CASA balances grew by 13% ytd to a total of ~~N~~930bn in Sep'15 (Dec'14: ~~N~~825bn) as a result of improved value chain penetration across the Bank's Strategic Business Units (SBUs)
- We will continue to actively implement value chain and customer engagement initiatives for continued deposit growth, particularly low-cost deposits, in order to drive down our cost of funds and loan-to-deposit ratio

Capital & Liquidity

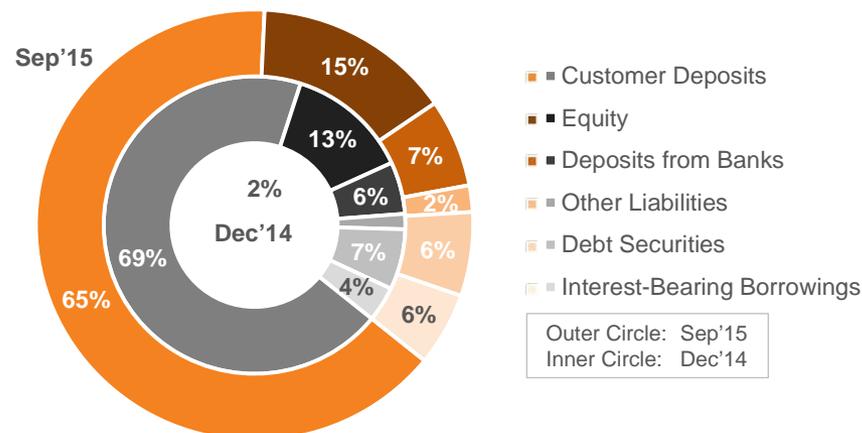
Capital Adequacy Computation – Basel II

	Group	
	Sep'15	Dec'14
In ₹m		
Tier I Capital	325,028	233,265
Tier II Capital	86,965	73,319
Total Regulatory Capital	411,993	306,584
Credit Risk	1,642,910	1,400,755
Operational Risk	231,622	264,335
Market Risk	14,811	21,890
Risk-Weighted Assets	1,889,343	1,686,980
Capital Adequacy		
Tier I	17.2%	13.8%
Tier II	4.6%	4.3%
Total	21.8%	18.1%

Risk-Weighted Assets (₹bn)



Sources of Funding



Highlights

- ▶ In Sep'15, the Group's Tier 1 CAR stood at 17.2%, while Total CAR was 21.8% and total capital adequacy of 17.2% and 21.8%
- ▶ The Group's successful capital raise of ₹41.7bn significantly improved Tier 1 capital by 340bps from 13.8% in Dec'14 to 17.2% in Sep'15
- ▶ Risk Weighted Assets (RWA) grew by 12% ytd to ₹1.89trn in Sep'15 resulting from a corresponding 16.9% ytd growth in the loan book to ₹1.3trn in the period

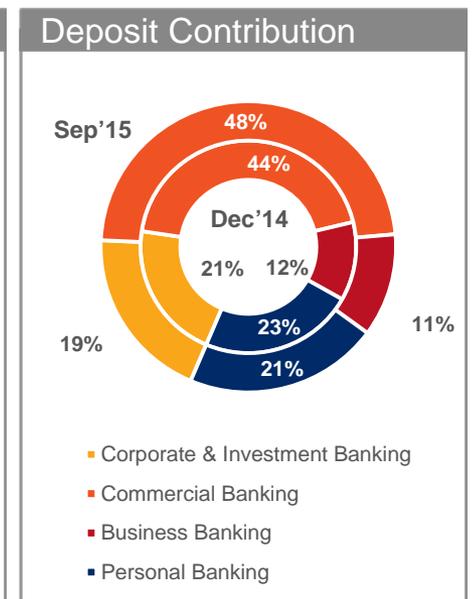
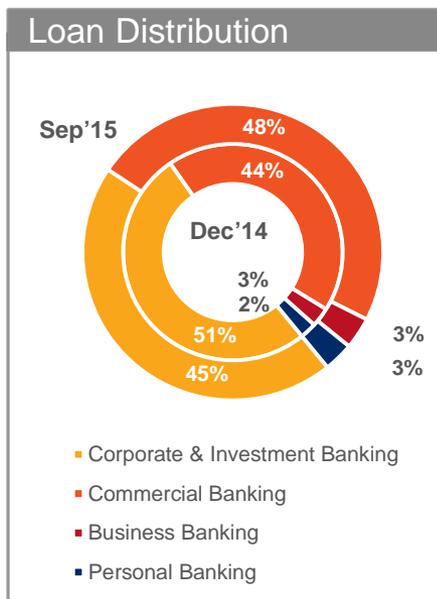
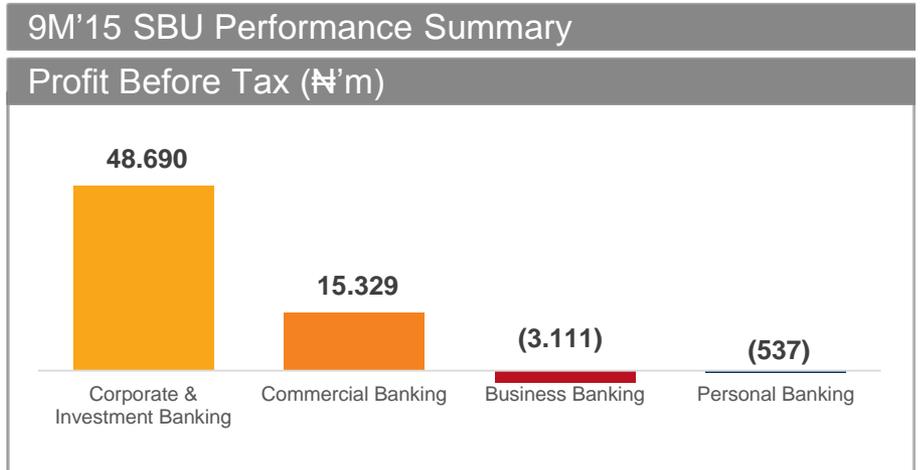
SBU Performance

Wholesale

<p>Corporate & Investment Banking</p>	<p>Commercial Banking Division</p>
<p>nearly 600 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> Multinational, well-structured large companies with annual turnover exceeding ₦10 billion Segments include: <ul style="list-style-type: none"> Cement & Construction Telecommunications Manufacturing Upstream Oil & Gas Downstream Oil & Gas Transportation Agriculture Financial Institutions 	<p>over 170,000 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> Incorporated companies with an annual turnover greater than ₦1 billion, but less than ₦10 billion Customer segments include: <ul style="list-style-type: none"> Federal, State & Local Government MDAs Corporate & Investment Banking Value Chain Asian Corporates Local Corporates

Retail

<p>Business Banking Division</p>	<p>Personal Banking Division</p>
<p>more than 300,000 customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> 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 	<p>about 6.3 million customers</p> <p>Segment Focus</p> <ul style="list-style-type: none"> The Division caters to the following classes of individuals: <ul style="list-style-type: none"> Ultra High-Net-Worth Individuals (UHNIs) High-Net-Worth Individuals (HNIs) Affluent Professionals Employees in the Value Chain Students Pensioners Informal Traders



2015 Targets: Performance Scorecard

 Committed to delivering on our 2015 growth objectives despite continued market instability and a tighter regulatory environment

Metrics	Sep'15	2015 Targets	Status	Key Messages
ROE	20.4%	18.0%		<ul style="list-style-type: none"> On track to meet ROE target for the year ROE was diluted following the Tier I capital raise in Q3'15
NIM	5.9%	7.0%		<ul style="list-style-type: none"> Continued margin pressures may result in muted NIM growth in 2015 Continued loan growth and improved yields will boost NIM in Q4'15
CIR	59.6%	60.0%		<ul style="list-style-type: none"> CIR will be maintained at $\leq 60\%$ in Q4'15 driven by revenue growth and the continued implementation of structural cost reduction initiatives
Loan Growth	17.0%	10.0%		<ul style="list-style-type: none"> On course to meet target growth of 10% Controlled and risk-conscious growth in loan book will continue in Q4'15, with emphasis on quality obligors
Deposit Growth	7%	15.0%		<ul style="list-style-type: none"> On track to meet 2015 deposit growth target, driven by increased value chain penetration and effective customer engagement initiatives

>>> Looking Forward

2017 Financial Targets

		2013	2014	2017 Targets
PROFITABILITY	Return on Equity (%)	14.8	16.5	25.0
ASSET QUALITY	Cost of Risk (%)	0.0	1.2	1.0
	NPL Ratio	2.7	2.2	2.0
EFFICIENCY	Cost-to-Income Ratio (%)	73.0	62.2	51.0
	Net Interest Margin (%)	5.8	6.8	7.0
	Cost of Funds (%)	4.7	4.6	3.5
PRUDENTIAL RATIOS	Capital Adequacy Ratio (%)	19.2	18.4	>20
	Loan-to-Deposit Ratio (%)	57.8	71.4	70
	Liquidity Ratio (%)	41.0	36.0	40



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INVESTOR DAY 2015

Risk Management

Gregory Jobome, *Chief Risk Officer*

October 2015



Pillars Of Growth and Sustainability

The fundamental principles of Access Bank's strategy

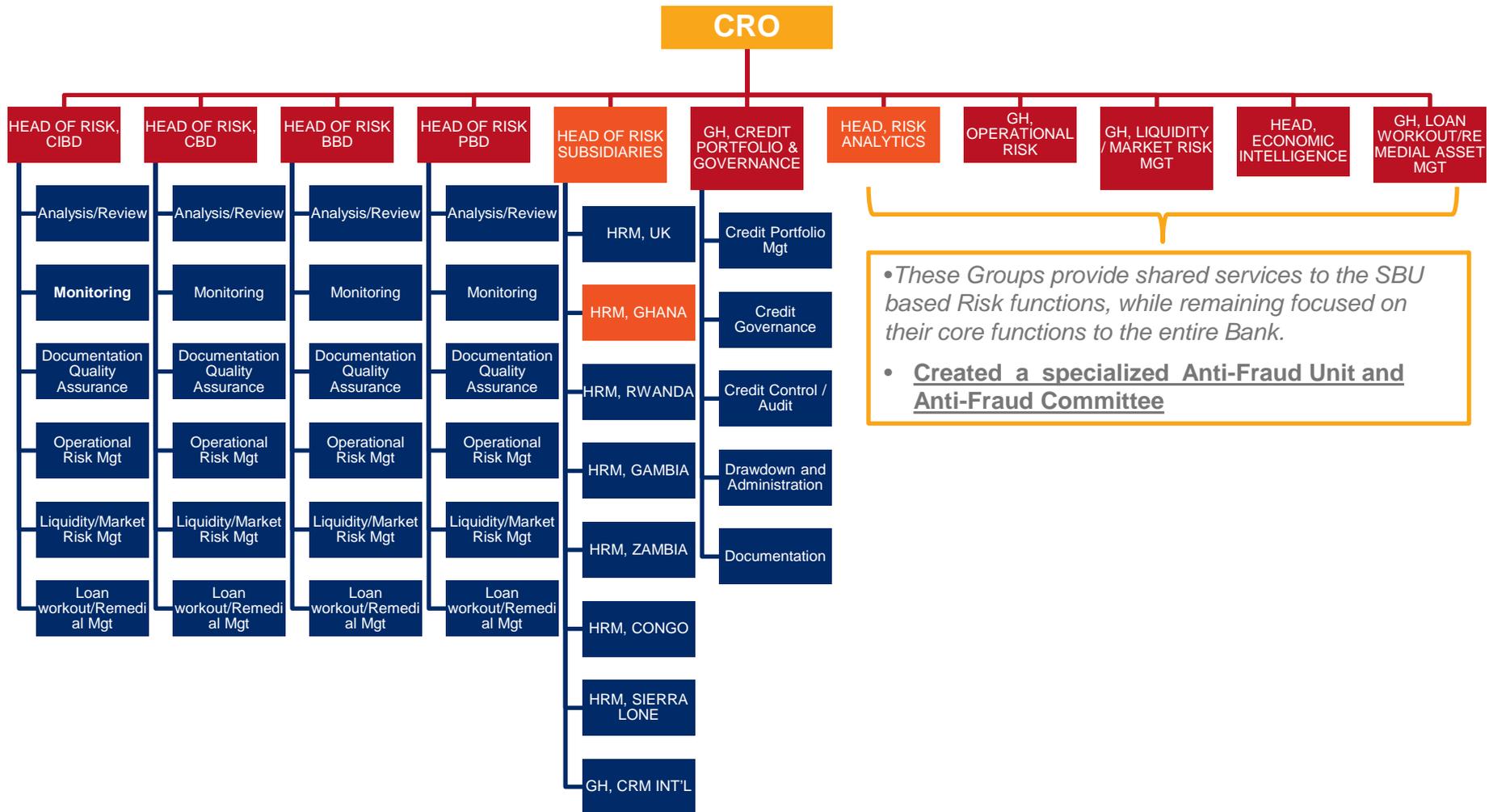
Access Bank's Four Pillars

People	Capital Base	Risk Management	Governance
<ul style="list-style-type: none"> ➤ Integration completed ➤ Cultural harmonization ➤ Management and workforce stability ➤ Access School of Banking Excellence 	<ul style="list-style-type: none"> ➤ Long-term strategy in place ➤ Pro-active capital raise based on growth expectations ➤ CAR ratio:19.9% ➤ 76% of capital is Tier 1 	<ul style="list-style-type: none"> ➤ Excellence in execution capabilities ➤ Robust financial metrics ➤ Improved loan quality of existing and acquired asset base ➤ Second lowest NPL ratio despite ➤ Strong risk rating from global agencies ➤ Risk based performance management ➤ Sustainable and global best risk practice(Basel II,III) 	<ul style="list-style-type: none"> ➤ Smooth management transition ➤ Experienced, diverse and balanced board ➤ Two independent directors ➤ IFRS adopted 2012 ➤ First Nigerian bank to complete Nigerian SEC Governance Rating Test

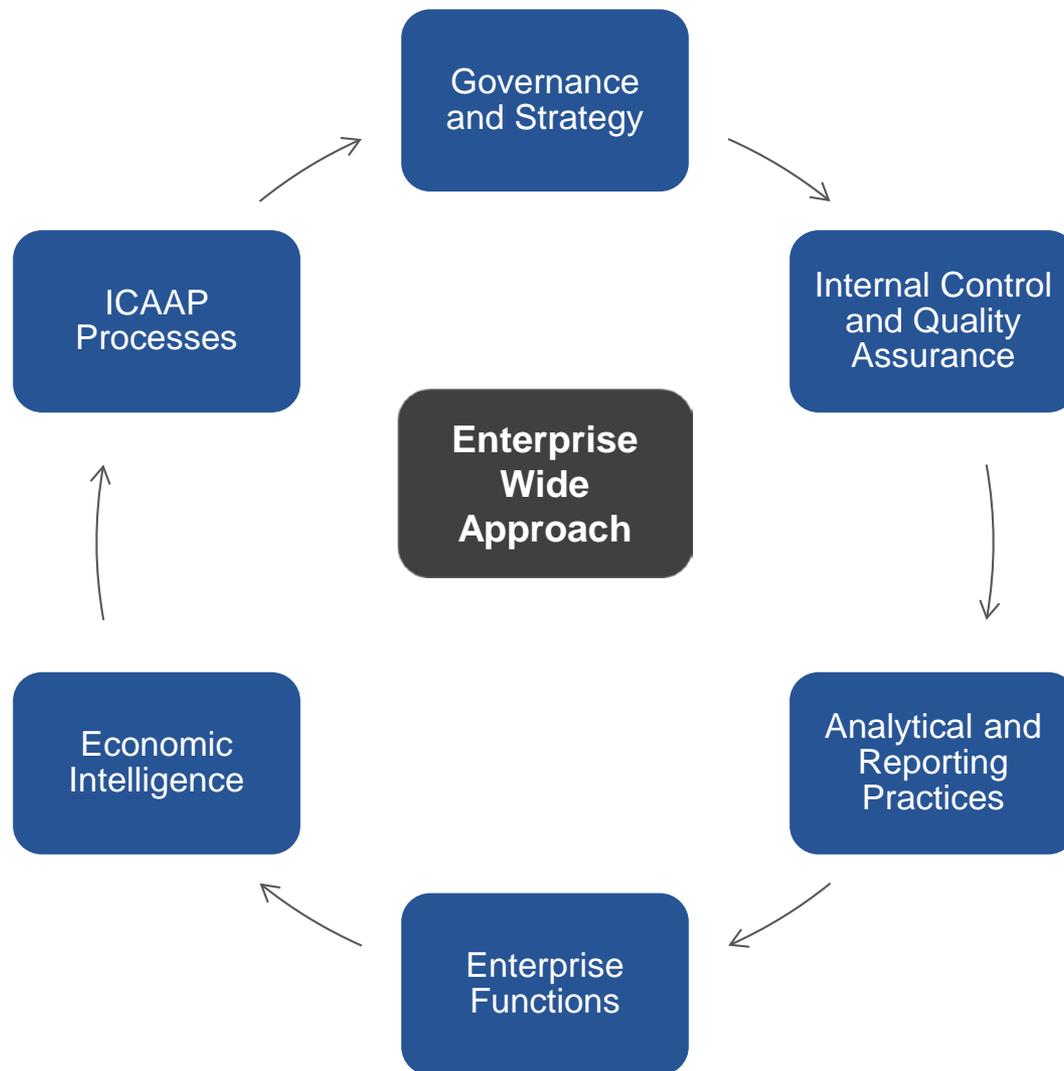
Strategic Goals



Risk Management Organisation



Integrating Our Enterprise-wide Approach



Stress Test

Resilience of Capital Adequacy and Liquidity

- Increase in total NPLs of specific sectors
- Default by top 10 borrowers
- Impact of changes in interest rate on our trading and banking book positions
- Depreciation of the Naira
- Runs on deposit liabilities
- Multifactor shocks of major stress factors

Exchange Rate / Oil Price Impact on Capital

- Significant depreciation of the Naira
- Significant drop in crude oil price
- Determined average profit margin for each sub-sector
- Determined sectors with high and low import dependencies
- Determined sectors with high and low capacities to transfer costs
- Upstream oil and gas assumed to be more at risk

Liquidity Stress Test

- Model basic drivers -Net cash flow, funding costs and asset valuation under stress conditions
- Discount on the sale of assets and excess cost of funding during stressed conditions
- Liquidity is over a period of ninety days
- Significant rise in decay rate cascade to mild, moderate and severe for retail and wholesale funds

Review of Outcomes vs. Risk Appetite – Corporate KPIs

	Agencies	Approved Risk Appetite	Current Profile	Current Rating as at June'15	Actual
Target Rating	<ul style="list-style-type: none"> Agusto Ratings Fitch Standard and Poor's debt rating GCR 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> Agusto & Co (2015) : A+ Fitch (2015): <ul style="list-style-type: none"> Counterparty B/Stable/B Nigerian National Scale A- (nga) S & P (2015): <ul style="list-style-type: none"> Counterparty B+/Stable/B Nigerian National Scale Ng A GCR (2015): <ul style="list-style-type: none"> National Scale A+/Stable 	<ul style="list-style-type: none"> Moderate
Earnings Volatility	<ul style="list-style-type: none"> The Bank will not miss agreed earnings forecast by more than 20% 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 2 	<p><u>Achieved</u> Agreed forecast missed by 8.79%</p>	<ul style="list-style-type: none"> Moderate
Maximum Loss	<ul style="list-style-type: none"> The bank does not wish to see a loss of more than 5% of gross earnings 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 1 	<ul style="list-style-type: none"> Total Loss (Operational, Credit and Market) was 0.28% of gross earnings. Credit loss – Nil Ops loss – 465.4m Market loss – Nil 	<ul style="list-style-type: none"> Low
Capital Adequacy	<ul style="list-style-type: none"> Minimum capital adequacy ratio of 20% 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> Capital adequacy ratio is 20%: Above regulatory limit of 15% (+1 for SIFI) 	<ul style="list-style-type: none"> Moderate

Review of Outcomes vs. Risk Appetite – Corporate KPIs

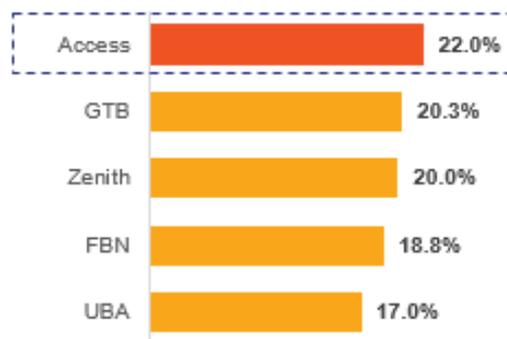
	Agencies	Approved Risk Appetite	Current Profile	Current Rating as at June'15	Actual
Liquidity	<ul style="list-style-type: none"> Minimum 40% of liquid assets as a percentage of total deposits Maximum loan to deposit ratio of 80% 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> Liquidity ratio at 37%. Higher than regulatory ratio of 30% Loan to deposit ratio is 72.8% 	<ul style="list-style-type: none"> Moderate
Reputation	<ul style="list-style-type: none"> Ensure that highest ethical standards are followed at all times 	<ul style="list-style-type: none"> 1 	<ul style="list-style-type: none"> 2 	<p>Current reputational risk profile is Moderate</p>	<ul style="list-style-type: none"> Moderate
Regulatory	<ul style="list-style-type: none"> Zero tolerance for regulatory penalties 	<ul style="list-style-type: none"> 1 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> Some instances of regulatory penalties were recorded 	<ul style="list-style-type: none"> Moderate
Governance	<ul style="list-style-type: none"> Ensure appropriate policies are followed at all times 	<ul style="list-style-type: none"> 1 	<ul style="list-style-type: none"> 1 	<ul style="list-style-type: none"> No major incidents recorded 	<ul style="list-style-type: none"> Low

Review of Outcomes vs. Risk Appetite – Corporate KPIs

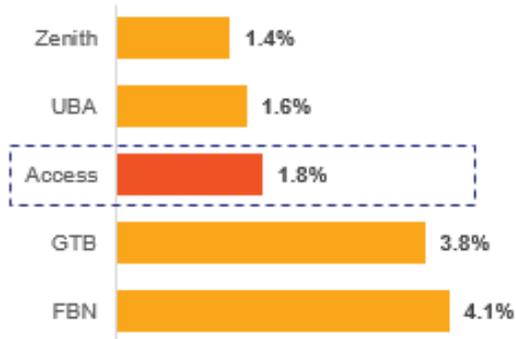
	Agencies	Approved Risk Appetite	Current Profile	Current Rating as at June'15	Actual
Growth	<ul style="list-style-type: none"> New businesses and products to follow appropriate risk controls 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> 2 	<ul style="list-style-type: none"> Clear risk appetite, and detailed portfolio planning The Bank launched its 5-year (2013 – 2017) strategic objectives to position the Bank to becoming the world's most respected African Bank This covers all aspects of the Bank's operations: market share, products, profitability, risk management etc 	<ul style="list-style-type: none"> Moderate

Our Industry Positioning on Key Risk Metrics

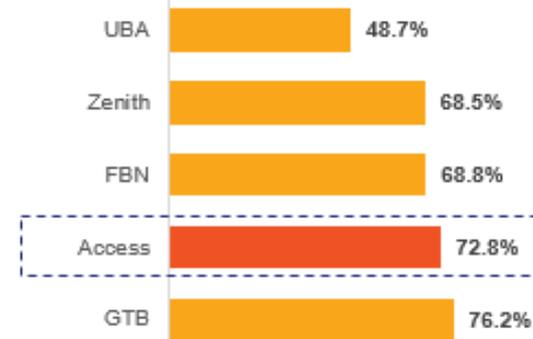
Select Banks by Capital Adequacy Ratio⁽¹⁾



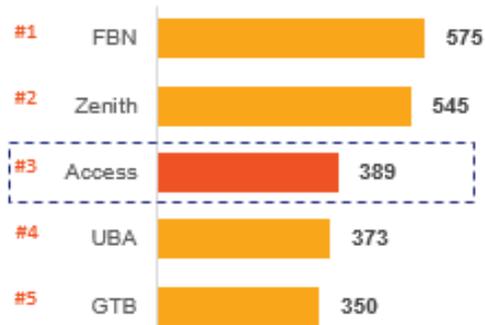
Select Banks by Asset Quality using NPL Ratio⁽¹⁾



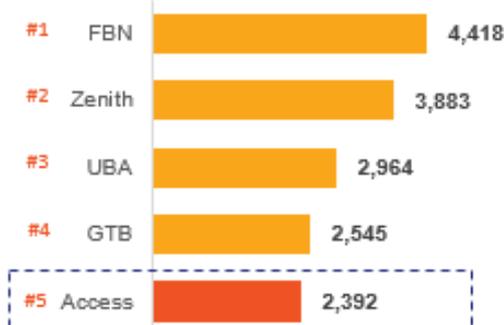
Select Banks by Loan to Deposit Ratio⁽¹⁾



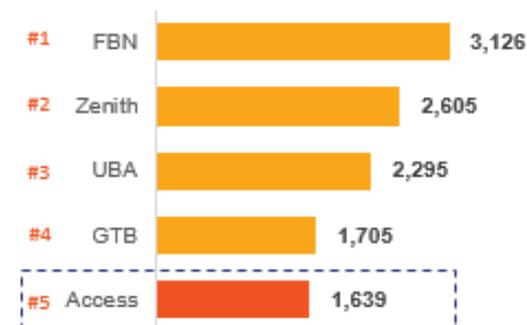
Top 5 Banks by Capital Base (₦'bn) ⁽¹⁾ ⁽²⁾



Top 5 Banks by Total Assets (₦'bn) ⁽¹⁾



Top 5 Banks by Deposits (₦'bn) ⁽¹⁾



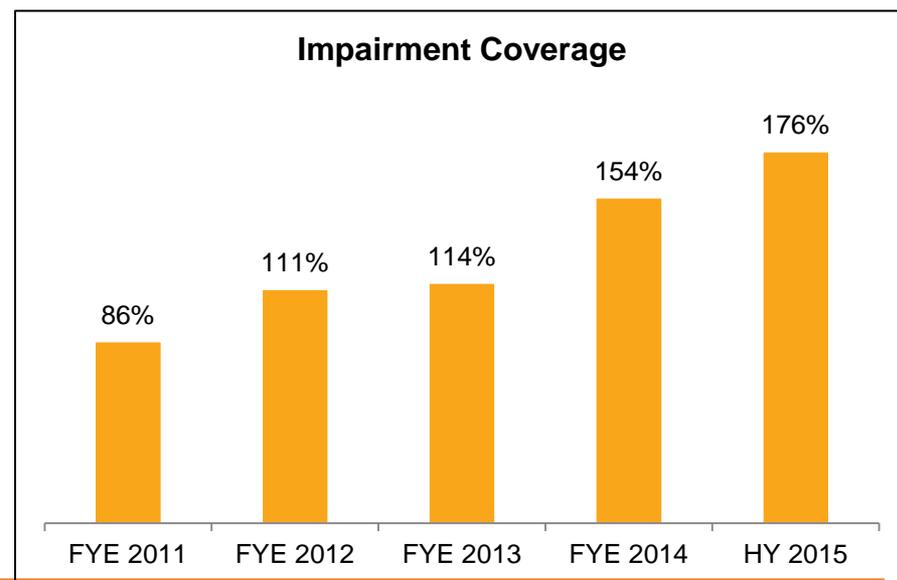
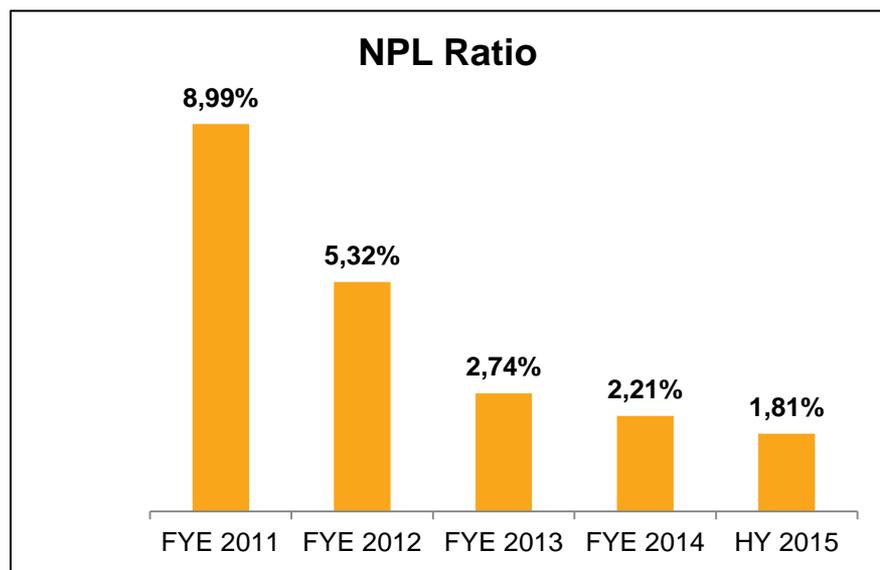
Source: According to the published financial statements of Nigerian Banks as at June 30, 2015

(1) UBA figures as at Q1'15

(2) UBA Capital Base includes ₦11.5bn capital from the 2015 Rights Issue; Access Bank Capital Base includes ₦41.7bn capital from the 2015 Rights Issue

Asset Quality Review

Year	Total Loans	NPL	NPL Ratio	Regulatory Reserve	Impairment	Total Loan Loss Reserve	Coverage Ratio
FYE 2011	625.4	56.2	8.99%	4.19	48.38	52.57	93%
FYE 2012	646.7	34.4	5.32%	4.07	38.07	42.14	122%
FYE 2013	825.3	22.6	2.74%	11.18	14.50	25.68	114%
FYE 2014	1141.9	25.3	2.21%	19.80	18.91	38.71	154%
HY 2015	1305.6	23.6	1.81%	16.12	25.36	41.48	176%



2016 Key Risk Initiatives



Target Risk Metrics By 2017

Metric	Actual	2017 Target
NPL	1.7%	2%
Cost of Risk	0.8%	1%
LDR	76%	70%
Liquidity	36%	40%
CAR	21.7%	20%



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INVESTOR DAY 2015

Wholesale Banking

Roosevelt Ogbonna, *ED – Commercial Banking*

October 2015



outline

- Wholesale Banking Overview
- Domestic Operating Environment
- Financial Performance
- Strategic Priorities

>>> Wholesale Banking Overview

Business Definition

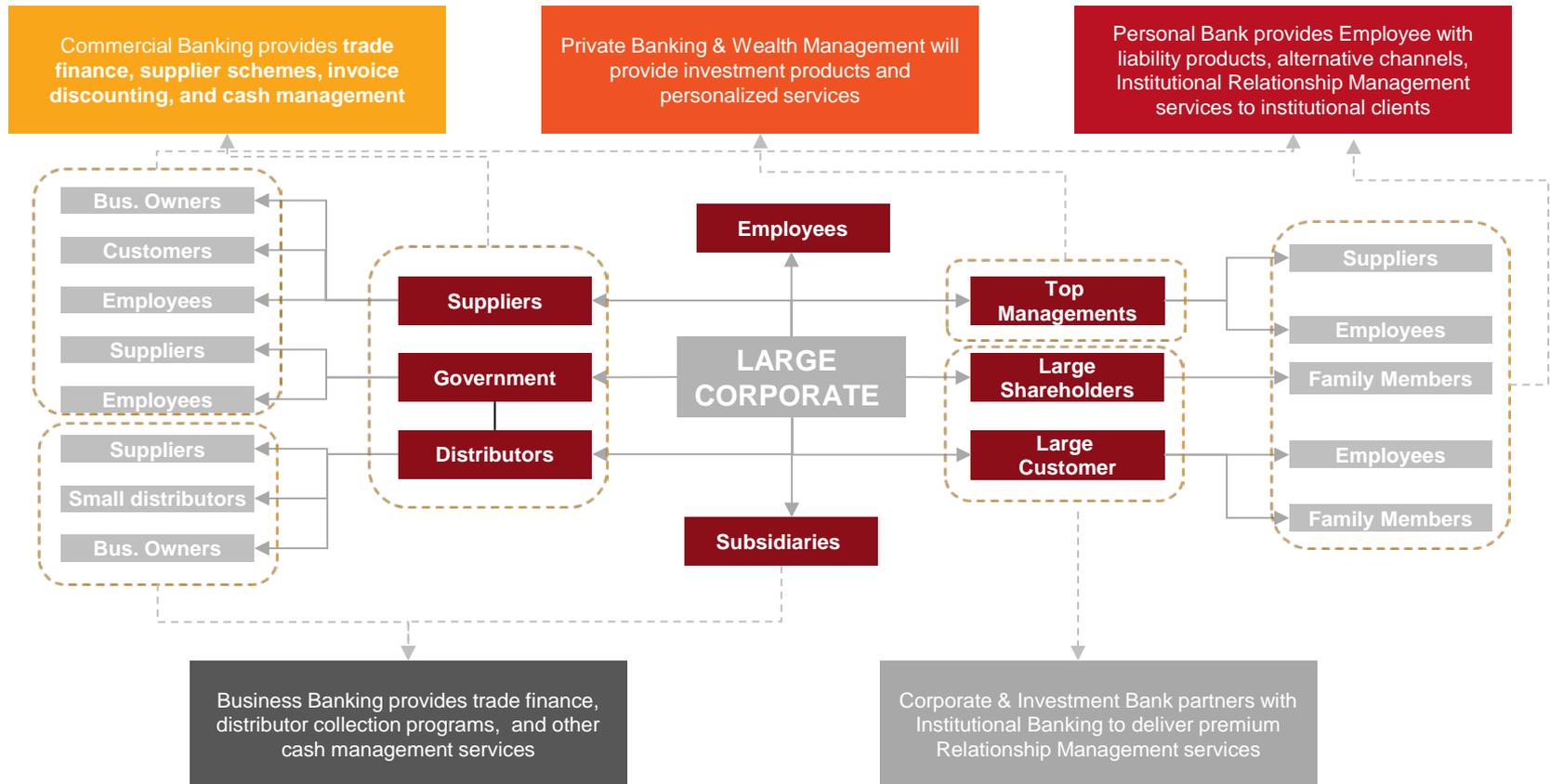
Corporate & Investment Banking

Commercial Banking

Customer Focus & Structure	Corporate & Investment Banking	Commercial Banking
Business Groups	<ul style="list-style-type: none"> • Cement & Construction • Telecommunications • Manufacturing • Downstream Oil & Gas • Transportation • Agriculture • Financial Institutions 	<ul style="list-style-type: none"> • Public Sector: Federal, State & Local Government MDAs • Geographies: <ul style="list-style-type: none"> ◦ Lagos, Port Harcourt & Abuja ◦ Other large cities
Product Offerings	<ul style="list-style-type: none"> • Financial Advisory • Trade/Structured finance • Treasury • Tailored Lending Scheme (Value Chain) • Cash management • Liquidity management 	<ul style="list-style-type: none"> • Financial Advisory • Trade/Structured finance • Treasury • Tailored Lending Scheme (Value Chain) • Cash management • Liquidity management

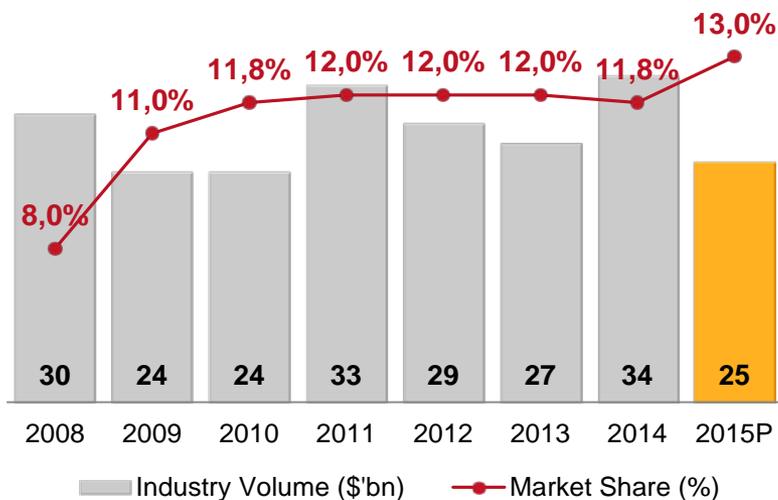
Customer Engagement Model

The goal is to sign-up 30,000 new vendors by optimizing our value chain model



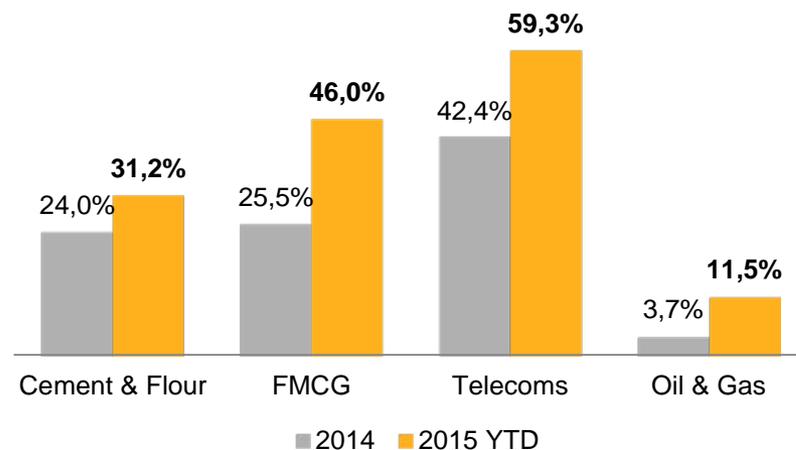
Market Share Analysis

FX Volumes (\$'bn)



- Market size of imports shrank by 10% as at May 2015 and is projected to close at \$25bn versus \$34bn in 2014
- Exclusion of certain items by CBN will shrink the market by approximately 3%; completion of Dangote Refinery will shrink the market by 30%

Collections by Sector



- Empowering ecosystems and networks
- Enhanced velocity of funds
- Entrenched value chain – vendors, distributors and staff

>>> Domestic Operating Environment

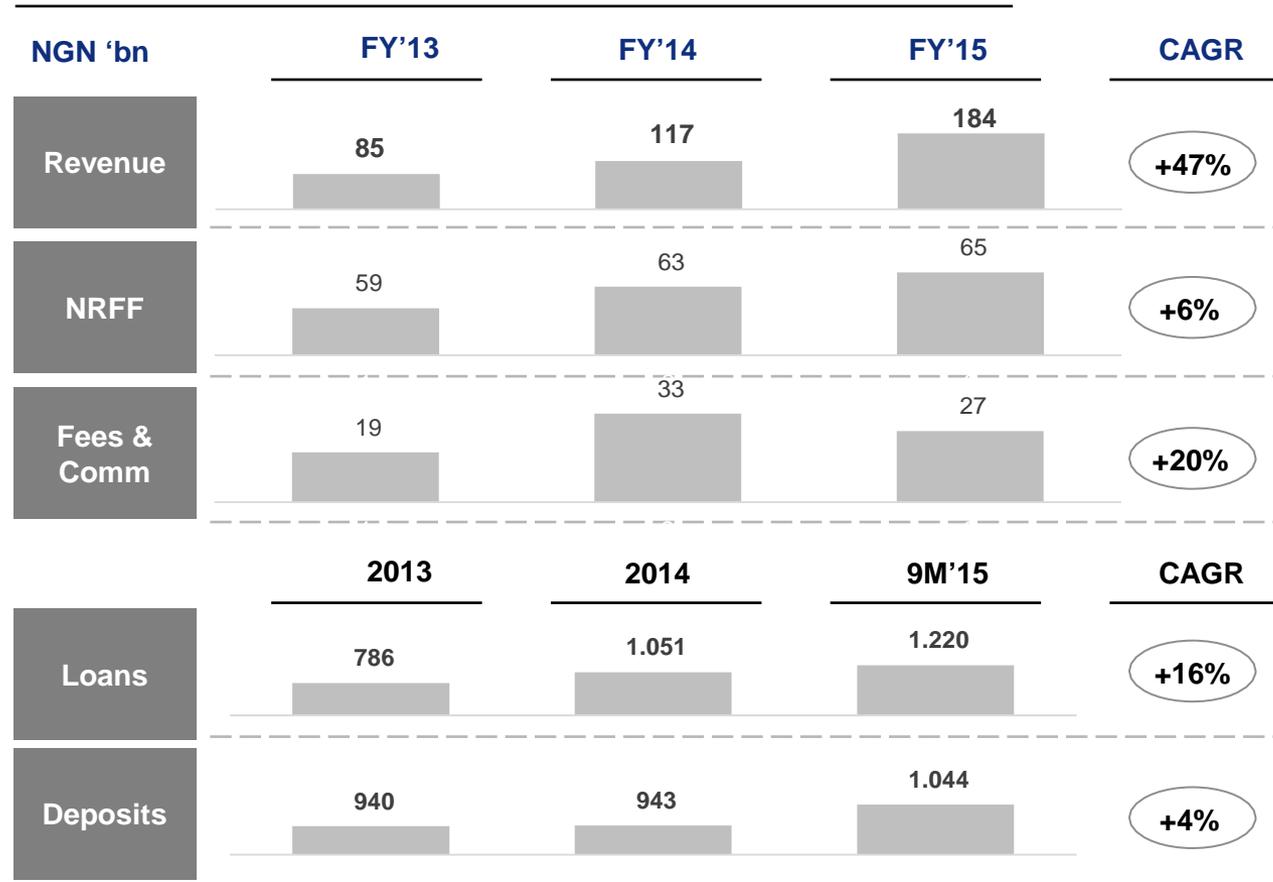
Operating Environment

Trend	Market Impact	Effects on business
Economic & Regulatory	<ul style="list-style-type: none"> • Declining government revenues as a result of low crude oil prices 	<ul style="list-style-type: none"> ▶ Increase in public sector debt ▶ Increased counterparty risk (Government) ▶ Delayed project execution ▶ Focus on the real sector and import substitution
	<ul style="list-style-type: none"> • Illiquidity in the foreign exchange market 	<ul style="list-style-type: none"> ▶ Elongated conversion cycles ▶ Thinning margins ▶ Heightened risk environment
Sociopolitical	<ul style="list-style-type: none"> • Strengthening of the democratic process and governance • Security concerns 	<ul style="list-style-type: none"> ▶ Stricter KYC and compliance expectations ▶ Reduced risk in public sector lending ▶ Reopening of market and trade routes in the North-Eastern corridor

>>> Financial Performance

Key Highlights

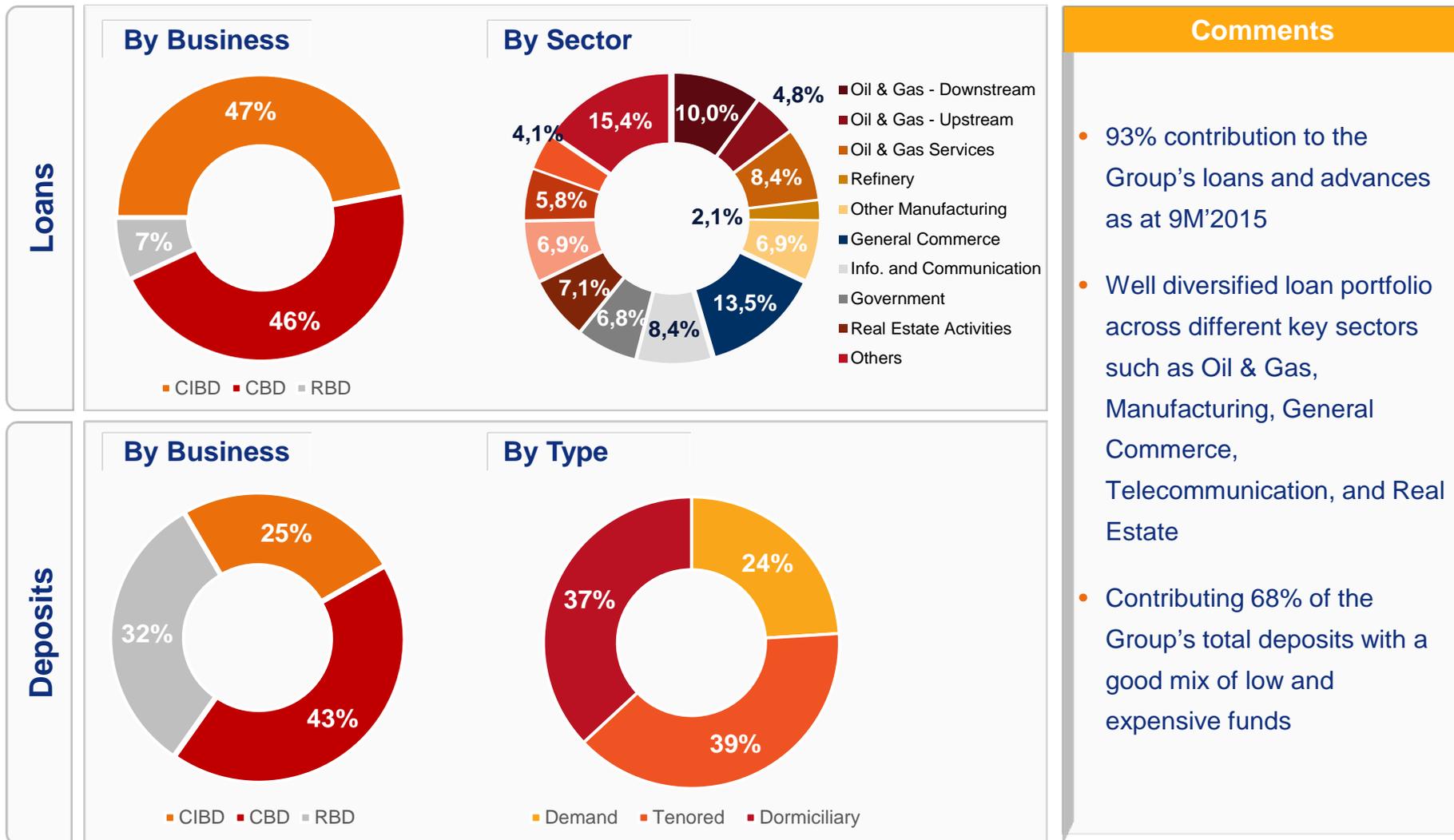
Strong performance of our Wholesale Business



Comments

- Significant improvement in revenue growing at 29% in the last three periods
- Sizeable growth in fees and commission income largely attributed to fee income from collections
- Loan growth resulting from strong performance of the Bank's East and Lagos businesses

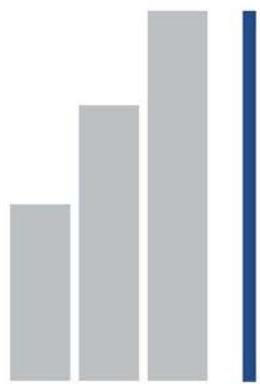
Contribution To The Group



>>> Strategic Priorities

Key Priorities for 2016





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INVESTOR DAY 2015

Retail Banking

Titi Osuntoki, *ED – Business Banking*

October 2015

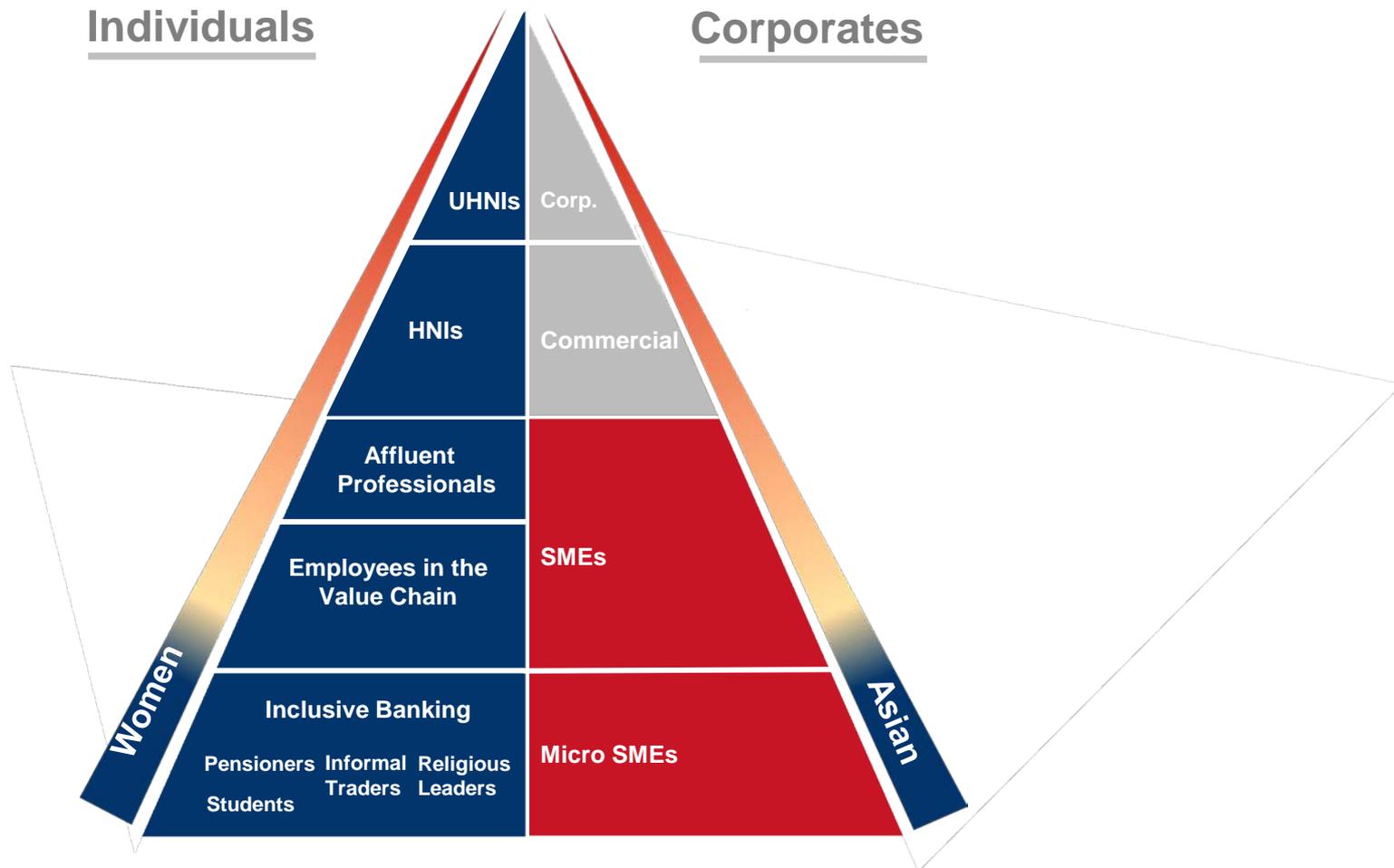


outline

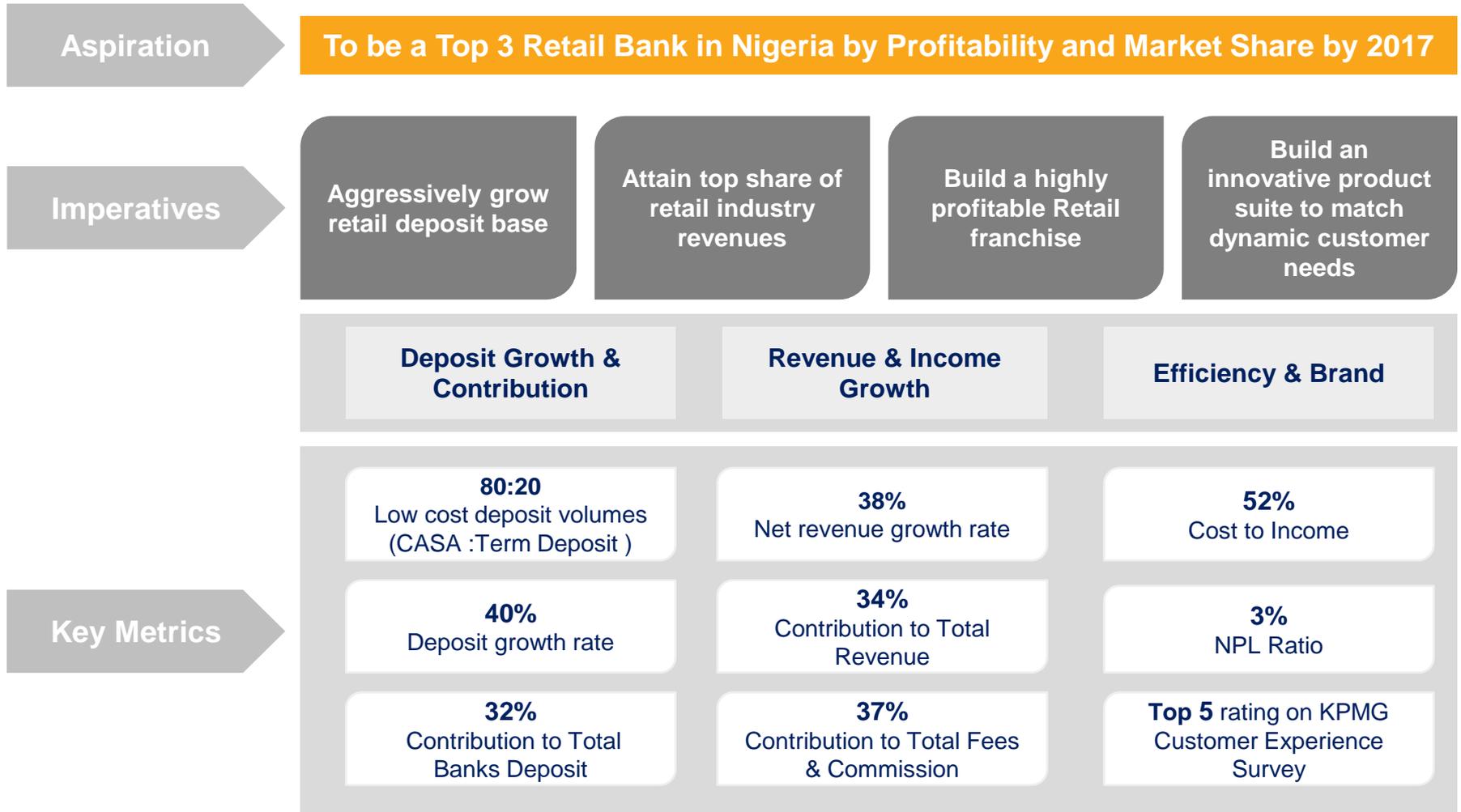
- Retail Banking Overview
- Financial & Non-Financial Highlights
- Looking Forward

>>> Retail Banking Overview

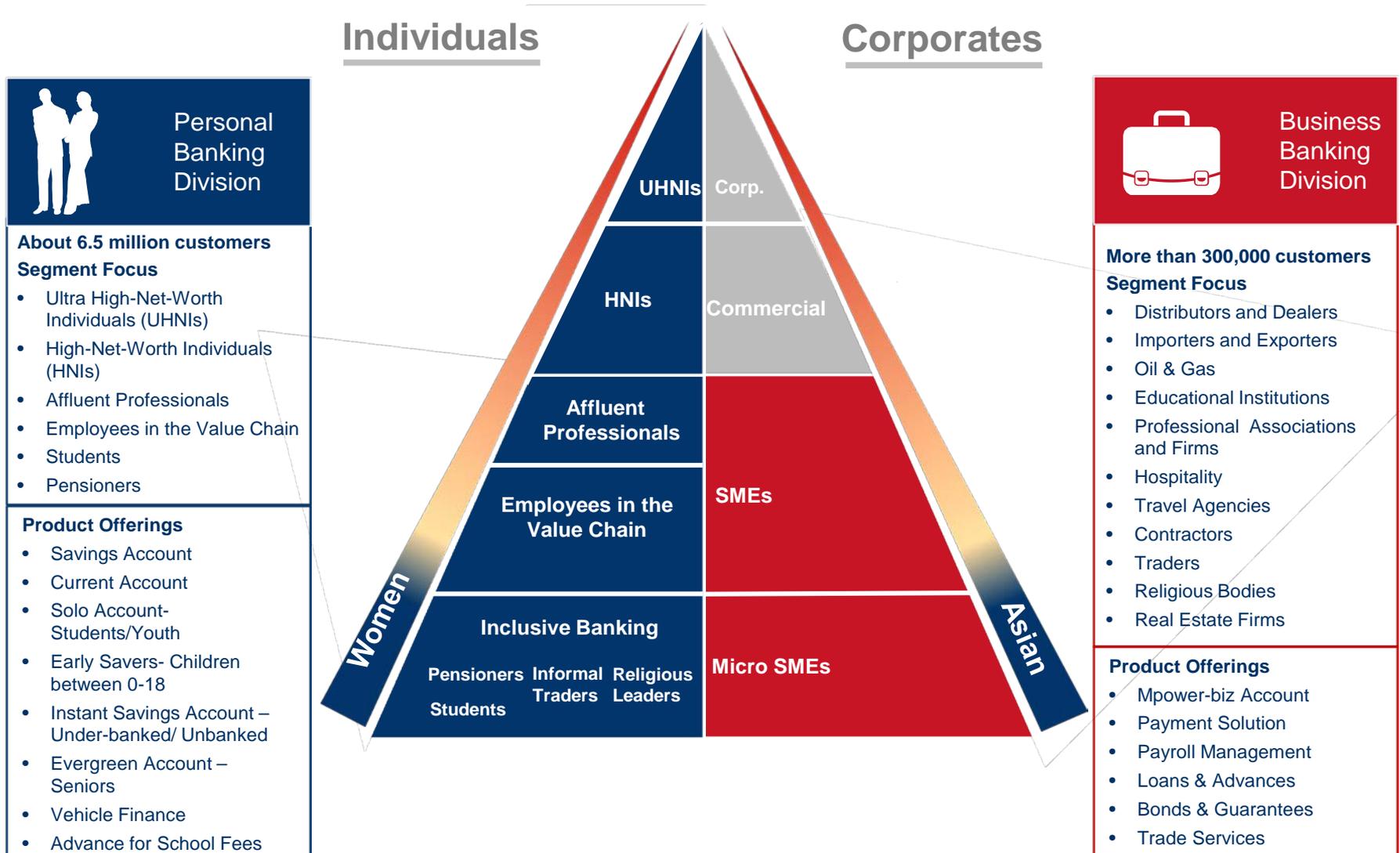
Our Business



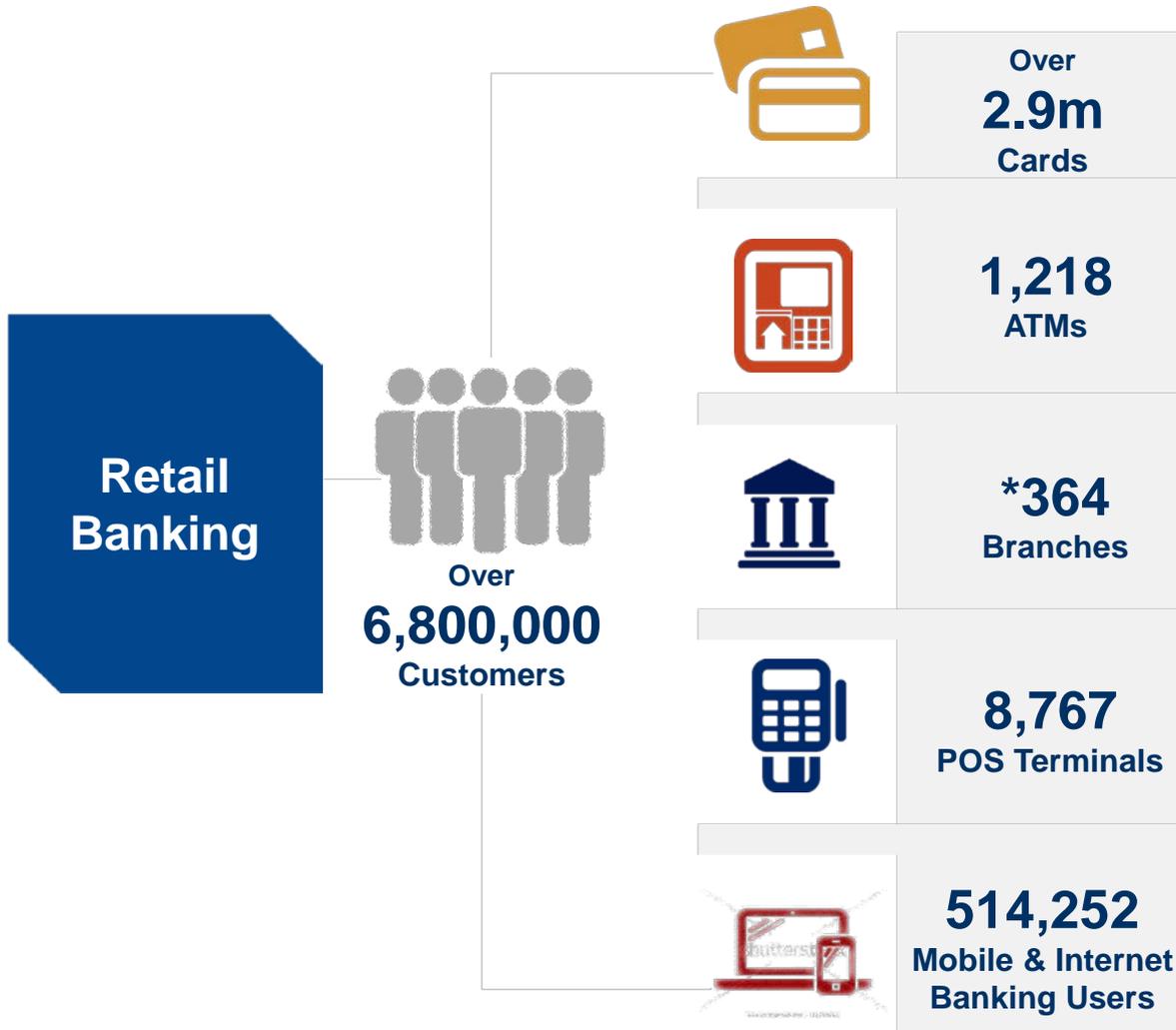
Strategic Aspiration



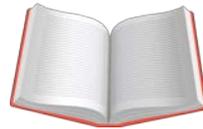
Retail Banking Overview



Business Snapshot



Key Initiatives

- 
 Tailored to meet the financial and lifestyle needs of Women. We also created a platform for recognizing and celebrating female achievers (W Awards)
- 
 Partnered with Secondary Schools to establish Financial Literacy Clubs
- 
 China trade loans for SME importers and traders with a total disbursement of \$80mm (fee income >N240mm in 6 months)
- 
 Launched Finance Logistics Worldwide Scheme (FLOWS), an import financing and logistics service tailored to the needs of Small and Medium Enterprises (SMEs)
- 
 Hosted periodic interactive and Capacity Building sessions for SMEs and MSMEs

★ Over 70% of retail transactions are done via alternative channels

>>> Financial & Non-Financial Highlights

Performance Scorecard

	2017*	Sep'15	2014	
1 Deposit Growth	CASA	80%	67%	63%
	Deposit Growth Rate	40%	13%**	30%
	Deposit Cont. to Bank	32%	35%	39%
	COF	4.5%	4.7%	5.1%
	2017	Sep'15	2014	
2 Revenue Growth	Revenue Growth Rate	38%	16%	-3%
	Revenue Cont. to Bank	34%	35%	24%
	Fees & Comm. Cont. to Bank	37%	41%	46%
	Avg. Lending Rate	18%	21%	17%
	2017	Sep'15	2014	
3 Ratios	CIR	52%	111%***	121%
	NPL Ratio	3.0%	1.9%	3.6%
	KPMG Customer Experience Survey	Top 5	6/8	10

*Projections

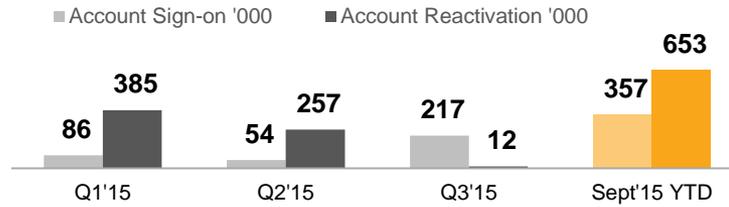
**Loss of highly priced deposit of about ₦30bn

***Revenue increased by 40% in 2015, however, expense also grew by 30% resulting in the sustained high CIR

Performance Trend

Progressive growth in the retail business driven by product innovation and enhanced value chain banking

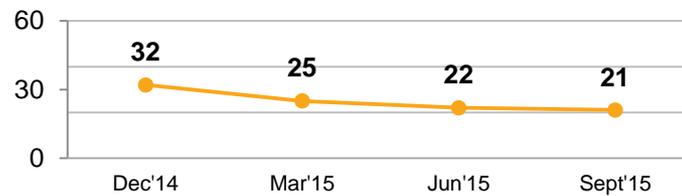
Account Sign-On & Reactivation (YTD)



Account Sign-On & Reactivation Drive:

- ▶ Strong account sign-on performance in 2015, with over 357,000 new retail relationships

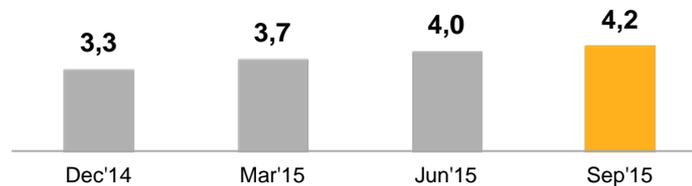
Dormancy Ratio (%)



Improved Account Dormancy Levels:

- ▶ Reactivated over 650,000 dormant accounts leading to a sharp decline in dormancy levels to 21% in Sep'15 from 32% in Dec'14
- ▶ Decline reflects effective ongoing execution of the Bank's account reactivation strategy

POS Collections (₹'m)



POS Collections on the Rise:

- ▶ 27% ytd growth in POS collections reflecting the positive impact of the continued execution of the Bank's POS collections drive

Profitable Teams



More Teams Breaking Even:

- ▶ Expanded number of retail teams from 99 in Dec'14 to over 282 as at Q3'15
- ▶ Increased profitable retail teams from 25 in Dec'14 to 123 as at Q3'15

Retail Channels Usage

Increasing adoption of the Bank's e-channels by customers



Increase in AccessMoney subscribers from 195,000 in Dec'14 to 2.5 million customers as at Q3'15



14% y/y growth in ATM transaction value from N42Bn (Q3'14) to N48Bn (Q3'15) largely due to improved uptime



84% y/y growth in POS transaction value from N19Bn (Q3'14) to N35Bn (Q3'15) largely due to improved POS support rendered to merchants



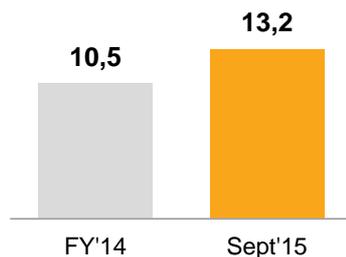
Volume of transactions on Mobile Banking increased from 2.6 million in Dec'14 to 3.8 million in Q3'15

Channels Optimization:

- ▶ Increased customer migration to alternative channels (Internet/Mobile Banking, ATM, etc.)
- ▶ Improved efficiency, stability and ease of use of the AccessMoney platform
- ▶ Relaunched PrimusLITE (for SMEs), promoted self enrollment
- ▶ Introduced effective customer loyalty/rewards program for using the Bank's cards to induce spending habit of customers

Financial Highlights

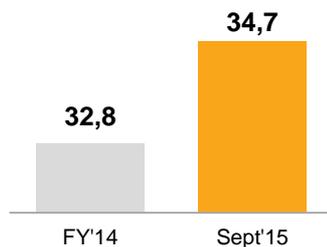
Fees & Commission (₺'m)



65% y/y increase

in fees and commission income to ₺13.2bn in Sep'15, of which 64% was card based commissions

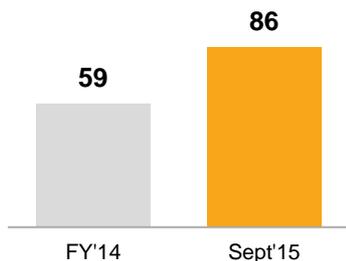
Revenue (₺'m)



41% y/y growth

in revenue to ₺34.7bn in Q3'15, with 62% contribution from net interest income on the back of improved asset yield, cost of funds and loan growth

Loans & Advances (₺'bn)



45.8% ytd increase

in loans and advances to ₺42bn largely driven by deepened SME market penetration and new product offerings, such as China Payment Loans

Comments

Growth in Fees and Commission Income:

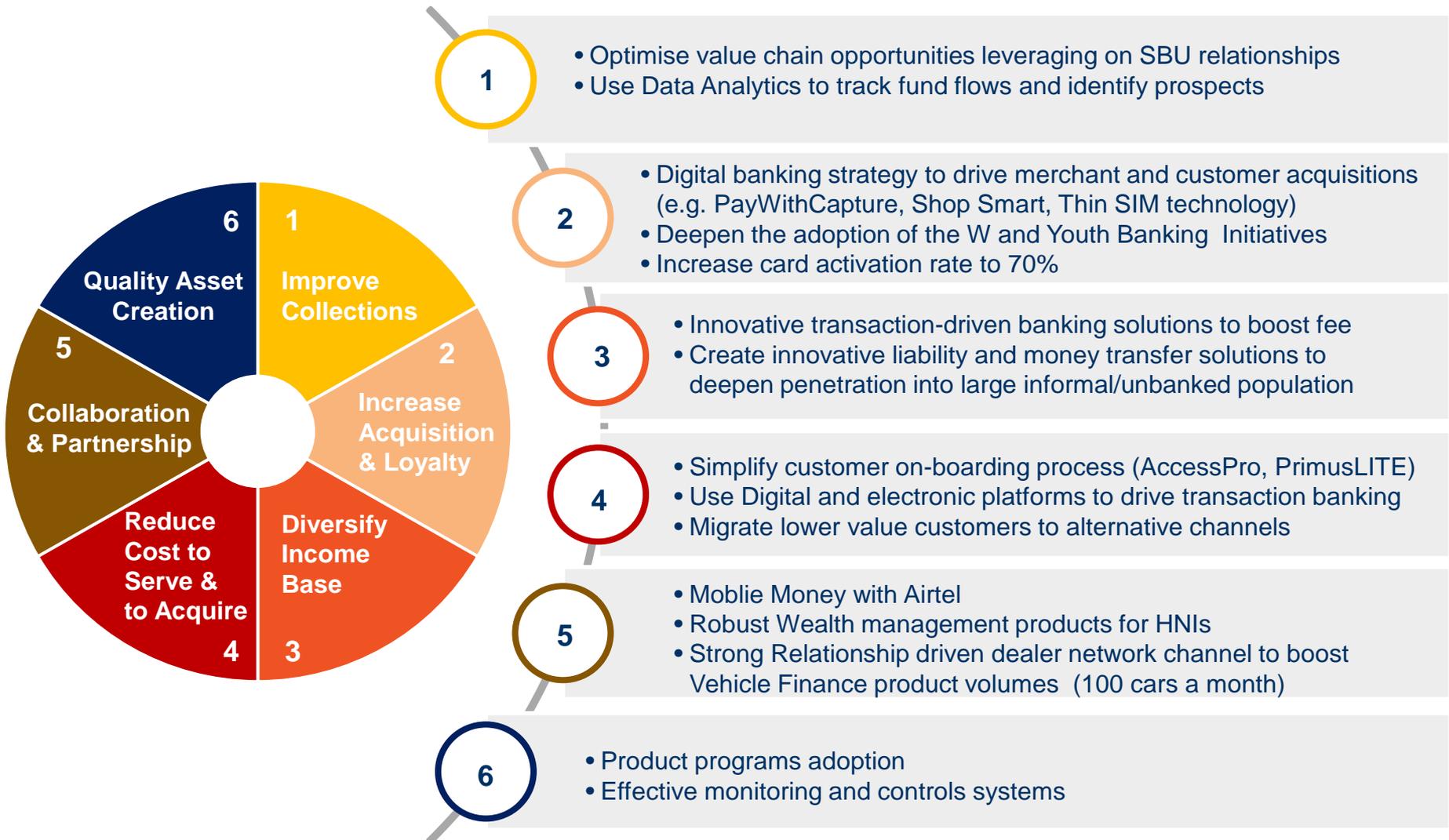
- ▶ Boost transaction income through increased utilization of our enhanced product portfolio by our customers (e.g. China Trade Payment and salary administration)

>>> Looking Forward

Emerging Trends

Four Mega-Trends Reshaping the Banking Landscape	5 – 10 Year Outlook	Initiatives
<p>Millennials – <i>leading the way for disruption of retail banking, personal finance, payments and lending</i></p>	<ul style="list-style-type: none"> Millennials are poised to reshape the economy thereby forcing companies to examine how they do business 	<ul style="list-style-type: none"> Introducing a self-service banking platform aimed at revolutionizing interaction between the customer and the bank at every point of contact
<p>Technology will change everything – <i>becoming a potent enabler of increased service and reduced cost; innovation is imperative</i></p>	<ul style="list-style-type: none"> The smart device will grow in importance, and take its place alongside cards as the primary medium for consumer payment 	<ul style="list-style-type: none"> A mobile payment solution that makes payment possible by scanning a generated QR-code using the camera of a mobile device
<p>Demographics – <i>changing priorities and opportunities for growth</i></p>	<ul style="list-style-type: none"> Banking the unbanked will become a primary policy objective in both developed and emerging markets 	<ul style="list-style-type: none"> To achieve this the bank has introduced an ingenious device only microns thin, that simply adheres to existing SIM and enhances phones capacity
<p>Social and behavioral change – <i>rising customer expectations and the need to regain public trust</i></p>	<ul style="list-style-type: none"> Banks will organize themselves around customers instead of products or channels Social media will be the media 	<ul style="list-style-type: none"> Leverage richer analytics-driven insights to enable a more personalized approach to targeting and engaging with consumers

Strategic Priorities



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