

BECOMING AFRICA'S GATEWAY TO THE WORLD

– Access Bank's 2018-2022 Strategy

The Next Phase of
Our Transformation

December 2017



Outline

1

Investment Case

2

Our Growth Story in Numbers

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The Next Phase of Our Transformation

Investment Case

01



Strong Financial Indicators⁽¹⁾

After-Tax
ROAE

15.7%

Total
Capital Adequacy

20.5%

NPL
Ratio

2.5%

Liquidity
Ratio

46.0%

02



Leading Bank in Nigeria

Extensive
Retail
Platform

- ✓ #5 by Number of Branches⁽²⁾
- ✓ #3 by POS⁽³⁾
- ✓ #1 by ATMs⁽⁴⁾

Strong and well-respected brand

Award-winning leader in sustainable banking practices

03



Disciplined Growth & Consistent Achievement

- ✓ **Outstanding M&A track record:**
 - successful acquisition and integration of Intercontinental Bank (ICB) in 2011
- ✓ **Expanding and consolidating market share in corporate and retail segments, distribution channels and service offerings**
- ✓ **Driving retail growth through digital innovation**

04



Strong Corporate Governance

- ✓ **Stable and experienced management team**
- ✓ **Highly regarded Board of Directors**
- ✓ **Senior management with average professional experience of 24+ years**
- ✓ **Strong risk management and compliance best practices**

(1) According to Access Bank's published financial statements as at, and for the year ended 30 September 2017

(2) According to the published financial statements of Nigerian banks as at, and for the year ended 30 September 2017

(3) By value based on report provided by Nigeria Interbank Settlement Systems (NIBSS) as at 31 October 2017

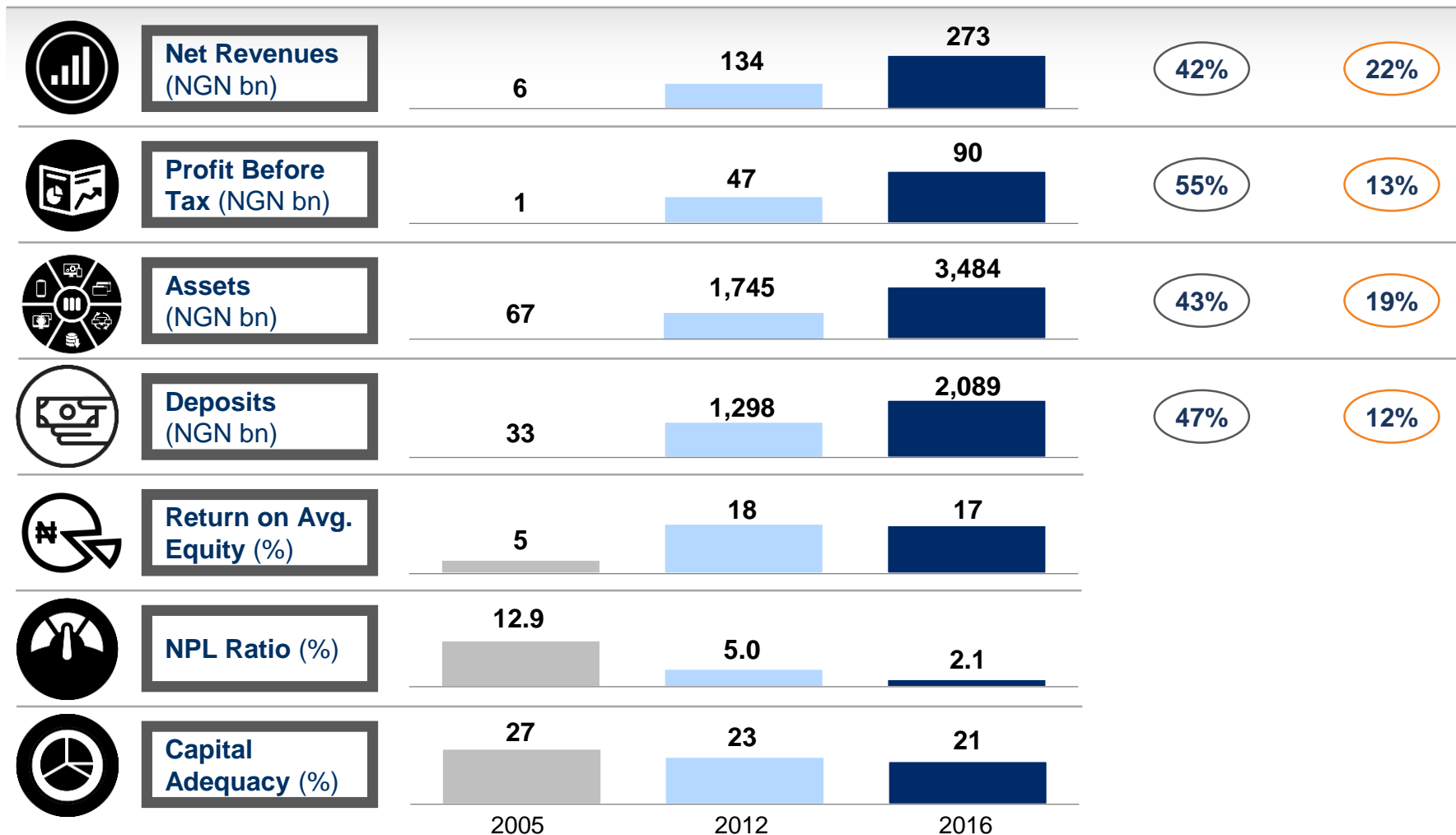
(4) By efficiency and not-on-us transactions based on report provided by Interswitch as at 31 October 2017

Our Growth Story in Numbers

We have achieved significant growth in the last 10 years in line with our aspiration to become a top 3 Bank in Nigeria

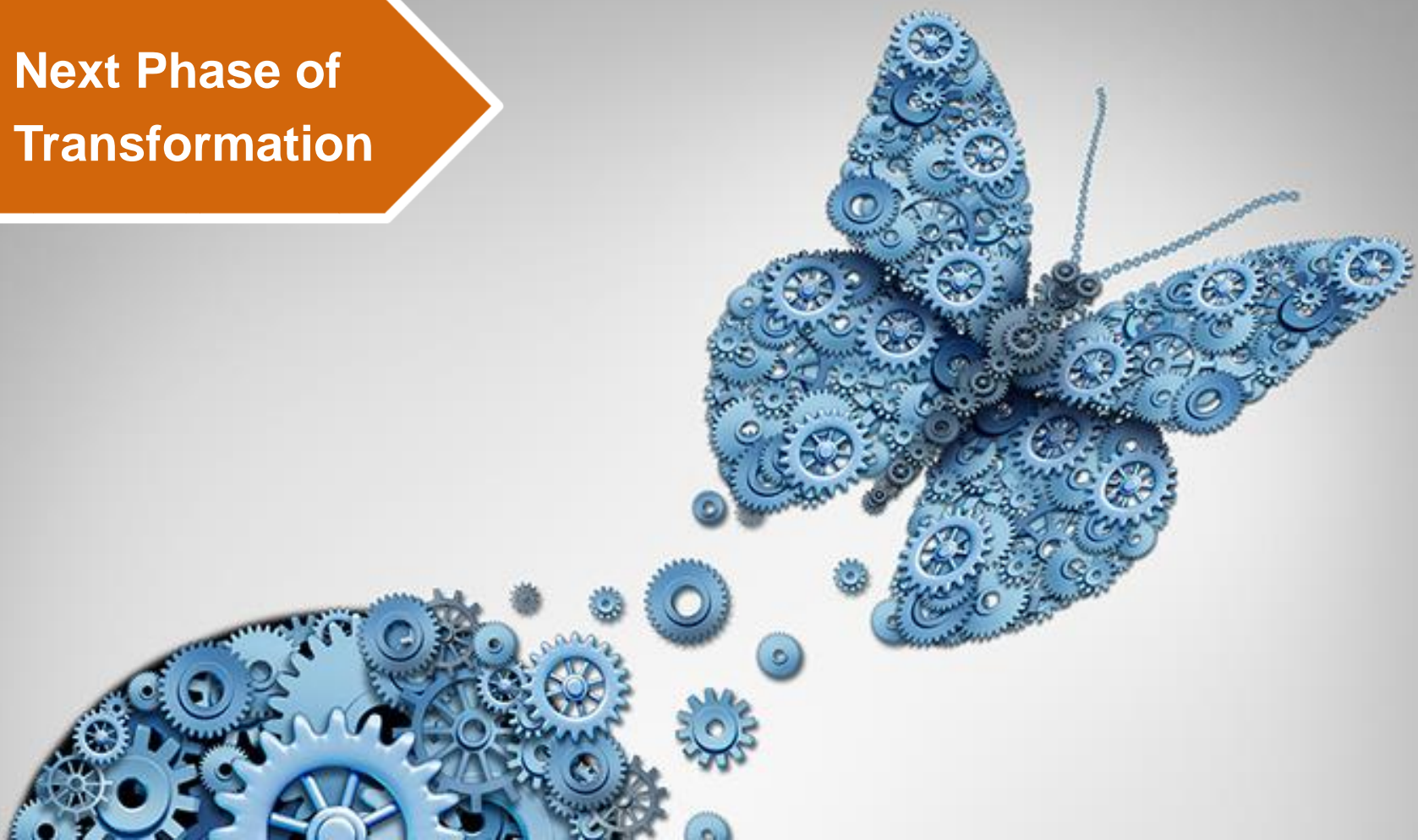
Access CAGR
2005-16

Market CAGR
2005-16



Source: Access Bank Plc. Annual Reports

The Next Phase of Our Transformation



Our Remarkable Journey

Access Bank

Sustainable growth driven by a commitment to compliance

- Grown rapidly to become a top 3 Bank in Nigeria on a balanced-scorecard basis
- Total income growth of 92%, while total assets grew 19% (2013-2017 CAGR)
- 7m retail customers and 230k SME clients
- Our people are more highly skilled than ever
- Set new compliance standards for Africa's banking sector

African Banking Sector

Digital delivery driving the broad adoption of banking

- Economic development has increased demand for banking services. The number of 'unbanked' is falling
- Government action is rebalancing Nigeria's economy
- Digital adoption is accelerating, changing how people bank
- Digital developments allowing for increased automation of banking operations

Africa and the Global Economy

Absence of global players in Africa

- Technology companies have aggressively moved into traditional banking markets
- Large western banks are no longer considered as secure bridges to the world's economy
- Correspondent banking relationships between global banks and African banks are decreasing

The Nigerian Market

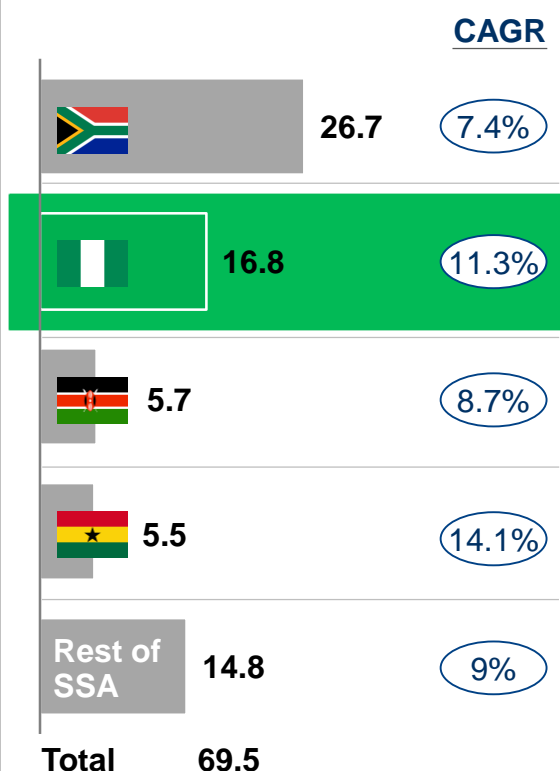
Nigeria is a leading and attractive banking market

Second largest banking market in Sub Saharan Africa...

...with strong fundamentals to drive growth...

...and attractive revenue pools

2022F Revenue before Risk (USD bn)



➤ Retail customer base expected to double by 2020

➤ Government initiative to digitise payments

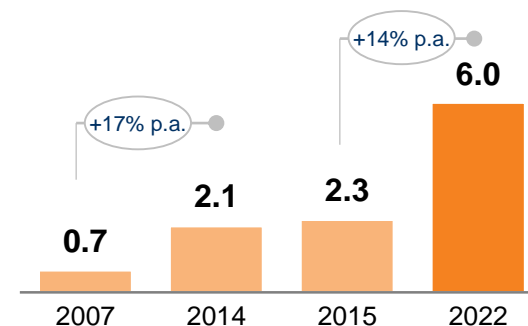
➤ Low SME lending penetration, <1% of credit

➤ New industries from economic diversification (import substitution, power, etc.)

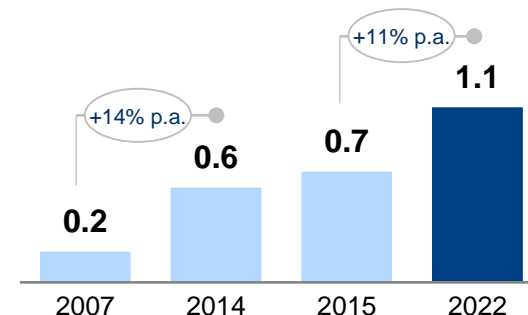
➤ Increasing regionalisation of corporates

➤ Regulation to stabilise the sector

Revenue before Risk (NGN trn)



Profit Before Tax (NGN trn)



Our 2018-2022 Aspirations

Over the next five years, Access Bank aspires to be **#1** in Nigeria, with a strong global franchise and a universal payment gateway, solidified by a robust capital base and best-practice governance structures



World's most respected African Bank



#1 in Nigeria



Strong Franchise outside of Africa



#1 in Trade & Intra-Africa Payments

1

Guided by best practice and highest professional standards

3

Institute robust governance, risk management and regulatory compliance

5

Attract exceptional, diversified and global talent

2

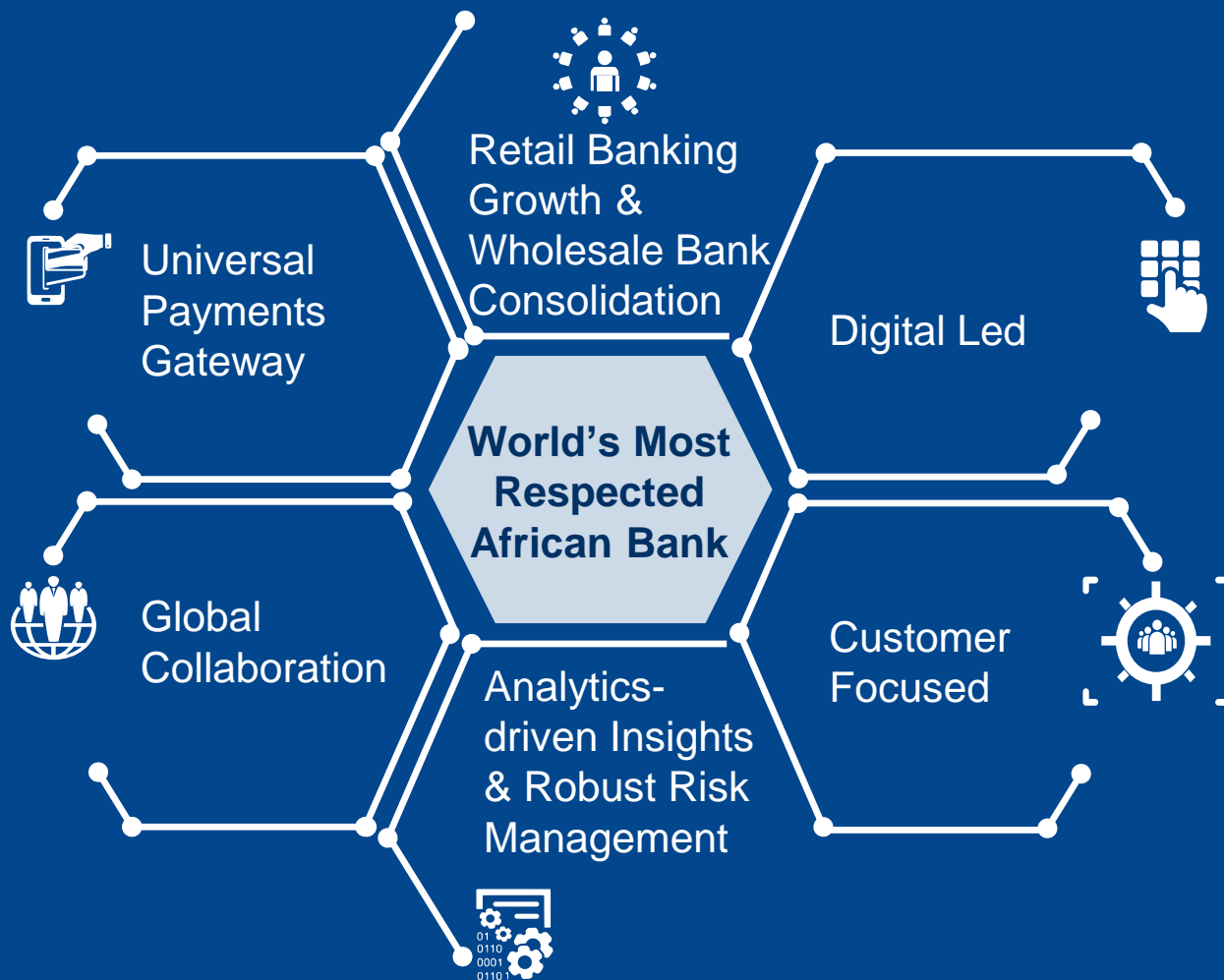
Lead our global integration with technology and innovation

4

Build and maintain strong capital and liquidity

Six Key Elements of our 2018-2022 Strategy

Access Bank's path to **#1** in Nigeria and the world's most respected African Bank is built on six elements that will define its DNA



Key dependencies



Robust risk management and compliance



Organizing for growth







Flawless execution

Strategic Levers for Wholesale Banking

We have identified 8 strategic levers that will drive the consolidation of our leadership in Wholesale Banking

Growth Areas



- 1  Dominate the top 100 corporates in Nigeria, targeting ~80 relationships
- 2  In Commercial Banking, increase focus on key regions with high bankable revenues
- 3  Increase share of revenues from asset light products across Wholesale Banking
- 4  Build deep sector expertise in priority industries to unlock and capture increased revenue opportunities across Wholesale Banking

Enablers








- 5  Move to a more client-centric coverage model by adopting a CST model for corporate clients and tiering methodology for commercial
- 6  Launch a sales force effectiveness program across Wholesale Banking to embed best-practice sales tools and routines
- 7  "Credit machine" optimization
- 8  Improve customer-centricity through digital and advanced analytics

Strategic Levers for Retail Banking

We have identified 13 strategic levers that will enable Access Bank become Nigeria's premier Retail Bank









Growth Areas



- 1  Dominate the rising middle income segment by offering seamless omnichannel experience and unparalleled customer service, including leveraging the franchise to offer unique cross-border value products and accounts
- 2  Be the leading brand in the youth segment focusing on local and international students; develop graduated propositions to retain them as they transition from students to professionals
- 3  Cultivate a network of agents to service the unbanked, focusing on the urban unbanked and prioritizing agents with existing businesses
- 4  Winning in deposit-rich segments and transactional-heavy industries for Business Banking
- 5  Increase exposure by selectively lending to value chain companies and increasing penetration in intervention funds

Enablers



- 6  Introduce revised SME coverage model to focus on high-value customers and achieve customer acquisition targets
- 7  Branch optimization and expansion into underpenetrated regions
- 8  Improve reliability of alternative physical channels and stimulate migration to self-service
- 9  Launch cross-sell and churn campaigns leveraging data analytics
- 10  Launch digital customer acquisition
- 11  "Credit machine" optimization
- 12  Improve customer-centricity through digitization and introduce lobby service officers focused on customer experience
- 13  Performance management and mind-set change

Our International Expansion

Our international expansion will be deliberate and structured, focusing on similar strategic themes and strong collaboration to dominate trade and intra-Africa payments

Segments

Global financial gateways



Trade Hubs



Key African Markets



Rest of Africa



- United Kingdom**
- United States***
- Hong Kong***
- Dubai**
- China**
- Lebanon**
- Mumbai**
- Ghana**
- Rwanda**
- Zambia**
- Tanzania+**
- Kenya+**
- Angola+**
- South Africa+**
- Gambia**
- Sierra Leone**
- DRC**

Key Strategic Pillars



Correspondent banking



High and ultra-high net worth banking



Access to foreign banking and transacting for franchise customers



Trade finance focused on prioritizing key commodities and clients in operating countries



B2B solutions for corporate clients, including payroll management



Increase market share of top 100 corporates



Best-in-class transaction banking platform



Value chain business banking



Leading digital banking brand



Drive retail banking with digital and payments



Become key intermediary for FX, remittances and trade

Collaboration Initiatives

- Deepen collaboration between client service teams for local financial institutions and financial gateway teams
- Increase correspondent banking business services within franchise
- Collaborate to market private banking opportunities to local customers
- Integrate global customer service teams, including global finance desk
- Establish global centres of excellence (COE): Digital factory in Nigeria; Analytics COE in London; Commodities COE in Ghana or Rwanda; Training Centre in Ghana
- Establish a universal payments gateway powered by technology and strong network of relationships across operating countries

An Integrated Global Franchise

The global franchise will be more integrated in identifying and pursuing opportunities to achieve dominance in trade, payments and correspondent banking

Correspondent Banking

Global Financial Markets:

- Our hubs in London and other identified collaborative markets will drive our correspondent banking strengths, particularly to African Banks

Global Customer Acquisition and Servicing:

- Become more effective and deliberate about jointly pursuing and serving large multinational companies operating across our footprint

Trade Hubs to offer holistic Trade Finance Support, including Trade Checks:

- Our hubs in Dubai, Mumbai, Lebanon and China will anchor our dominance of continental trade finance

Harness Global Talent and Resources:

- Set up centres of excellence (COE) based on the availability of skills and resources weighed against cost, e.g. Analytics COE in London, Commodities COE in Accra, Digital in Lagos

Build a Universal Payments Gateway with an Ecosystem of Local and International Partnerships:

- Service global payments and remittances

Global RMs

Centres of Excellence

Trade Finance

Universal Payments Gateway

Becoming a Digital-Led Bank

We have identified 9 digital levers that will transform Access Bank into a digital-led Bank and deliver on SBU strategic plans

















Strategic Themes Digital initiatives incorporating digital diagnostic findings and SBU strategic initiatives	
Simplicity	1 Consolidate digital portfolio of applications across SBUs
	2 Stimulate migration of transactions to self-service channels
Connectivity	3 Enable core sales and service functionalities across consolidated portfolio of web, mobile and USSD applications
Automation	4 Digitise core customer journeys to provide omnichannel experience across platforms
Decisioning	5 Develop multi-channel marketing capabilities through focus on Search Engine Optimization (SEO), Search Engine Market (SEM), re-targeting, referrals and social media
	6 Build robust data analytics capabilities and models to drive business use cases starting with pricing, churn and next product to buy
IT	7 Build IT architecture to support digital aspirations
Organization & Capabilities	8 Build a central digital factory led by a chief digital officer to undertake all digital product development, digital marketing and data analytics related initiatives
	9 Establish digital culture and non-traditional recruiting practices to enable the recruitment of key roles across digital, IT, data analytics and digital marketing units

Our Customer Promise: Speed, Service, Security

We will lead with speed, service and security in operations, enabled by IT and digital to predict and where necessary, respond to changing customer expectations in achieving our strategic aspirations

What will we deliver... ...in response to changing customer expectations

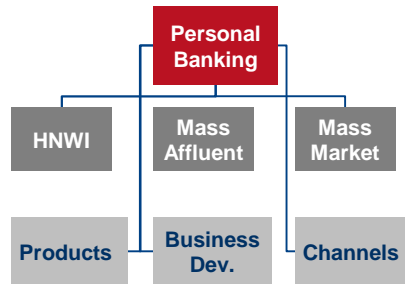
Implications on IT and Digital

	<p>Speed</p> <p>Real-time: fast, frictionless, mobile, anywhere</p>		
	<p>Service</p> <p>Personalized: for me, empower me</p>		<ul style="list-style-type: none">  Straight-through processing  Quicker turnaround times  Process automation  Artificial intelligence to support corporate transformation
	<p>Security</p> <p>Adaptable and convenient security options</p>		<ul style="list-style-type: none">  Omnichannel connectivity  Call centre automation  Multi-channel digital marketing  Advanced data analytics  Cybersecurity  Fraud detection

Customer-Focused Organizational Structure

Retail Banking will adopt a customer-segment focused structure and evolve branches towards a greater mix of customer service personnel

Restructured retail to focus on customer segments – shifting from geographic driven branch structure



Remodel branches to be customer friendly with increased self-service options

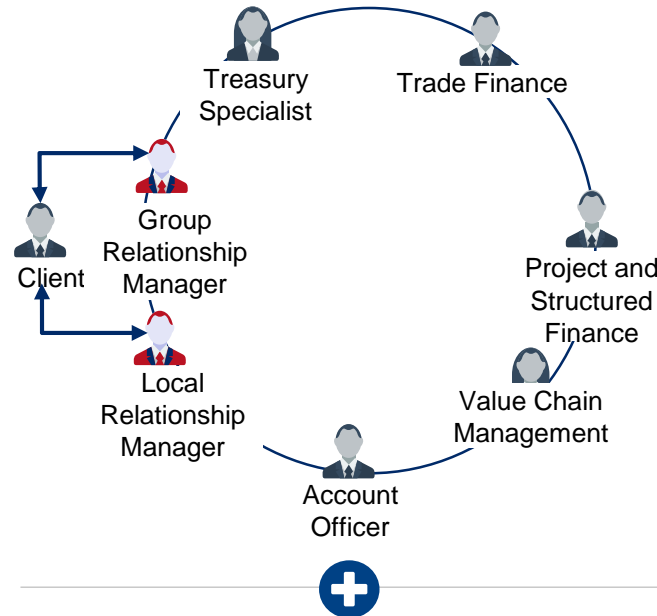


Introduce highly trained lobby service officers

Lobby service officers will be critical to successfully migrating customers to self-service channels



Corporate Banking CSTs⁽¹⁾ will include sector experts and an increase in global RMs⁽²⁾ based on specific customer needs



Industry / Sector Specialists



Customer Support Services

Upgraded and modernized call centre enabled by AI

In-app and online chat support


Advanced analytics-driven mass customization

- Contextual display: “next product to buy”
- Customized alerts (e.g. birthdays and anniversaries)

Automation and straight-through processing for high-speed transactions

Conclusion

In summary, to deliver on our vision of becoming the **#1** Bank in Nigeria, we must effectively execute / achieve the following:



Enhance retail offering across key market segments and increase focus on digital to support our retail and payments business

Effective use of big data and analytics to drive customer insights and support customer acquisition and retention

Achieve dominance within Nigeria's top corporates

Focus on global collaboration with respect to correspondent banking and intra-Africa payments

Create a universal payments gateway powered by technology and a strong network of relationships across operating countries

– Our New Destination –

AFRICA'S GATEWAY TO THE WORLD



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