

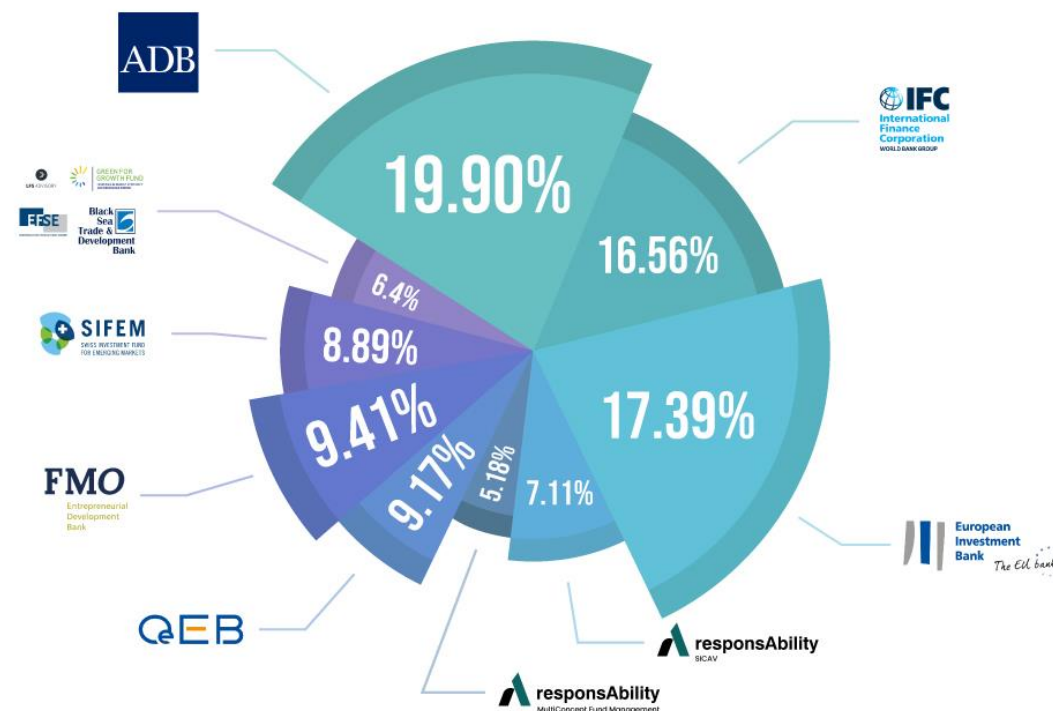
# Investor Brief

Local GAAP

Q1, 2024

## About AccessBank

- AccessBank serves Azerbaijan MSME & Retail market since 2002 and is the largest Impact lender in the country through its Micro lending franchise. Throughout its 20-years of operations, AccessBank distinguished itself with its highest levels of transparency, ESG standards, top customer service levels and its contribution to small businesses and to the banking sector as a whole. The bank is also considered to be the best MSME banking school in the country.
- Devaluation of AZN** On the back of domestic currency (AZN) devaluation in 2015-16, AccessBank initiated recapitalization with current DFI shareholders. The capital of the bank was increased in 2019 and turnaround plan for the bank agreed.
- New Management Team** The new management team was introduced in Dec 2021, and with easing Covid restrictions execution of the turnaround plan was fully ahead. Within the first half of 2022 the team enhanced bank's automation, implemented robust cost-control and risk measures and managed to deliver large positive operating leverage. Since 3<sup>rd</sup> quarter of 2022 AccessBank further improved its financial standing by capitalizing on its leading position in micro lending, originating two times as much as in previous quarters through automation.
- The Bank continues its new cycle of development targeting enhanced digitalization, increased investments in ESG lending and best-tailored customer experience.



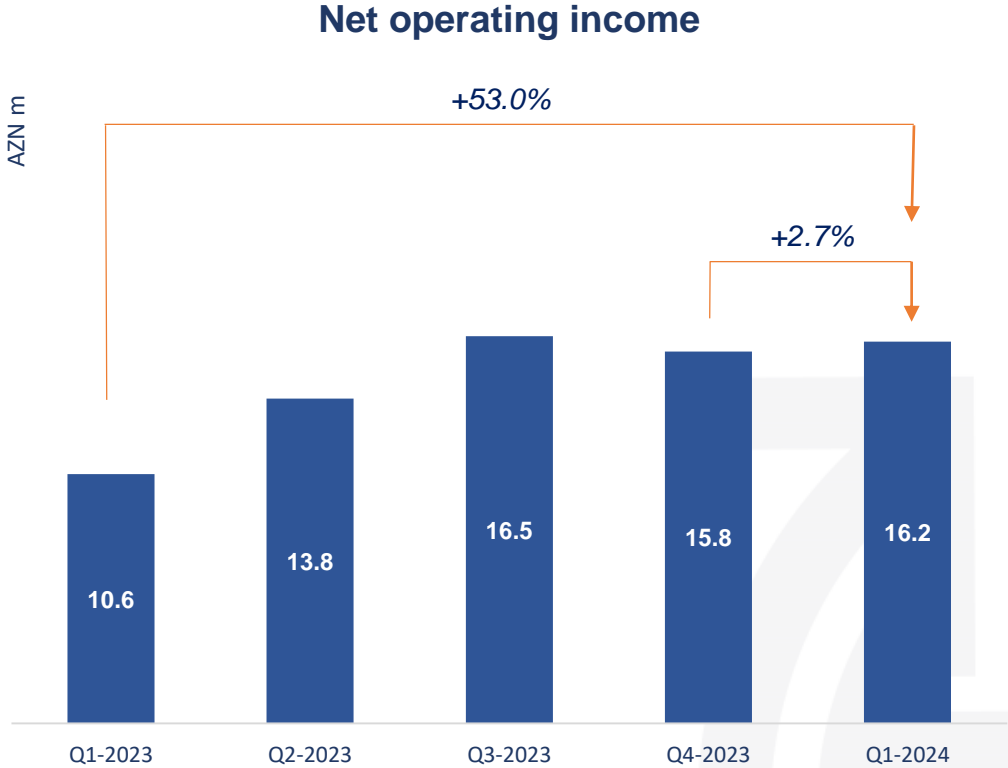
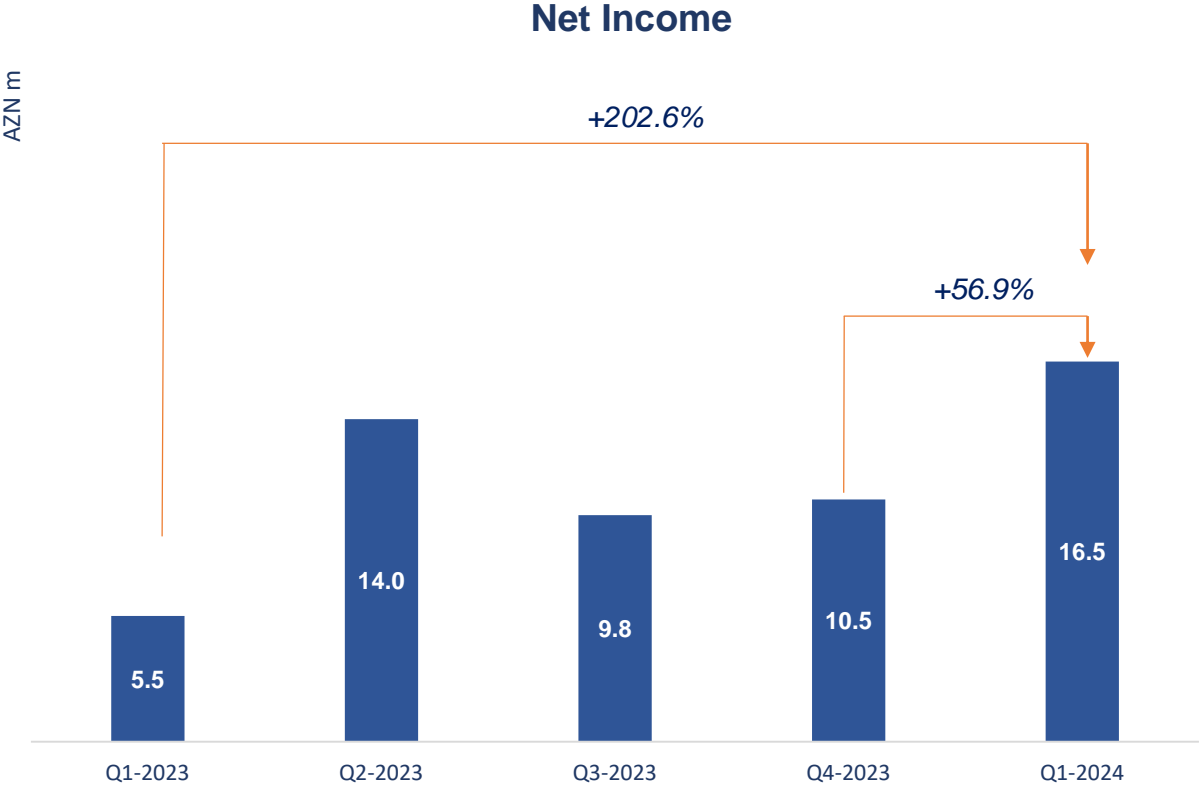
## Results Snapshot for Q1 2024

	Assets	Loan portfolio	Deposits	Regulatory Capital	# of borrowers
Q1, 2024	AZN 1,363m	AZN 1,035m	AZN 980m	AZN 155m	101k
Q1, 2023	AZN 1,252m	AZN 878m	AZN 960m	AZN 108m	94k
	Net income	Cost to income	ROE	CAR	COR
Q1, 2024	AZN 16.5m	52.4%	44.4%	14.1%	0.9%
Q1, 2023	AZN 5.5m	62.1%	22.6%	11.6%	1.4%

- Bank delivers high efficiency and have built strong capital buffer

# Performance

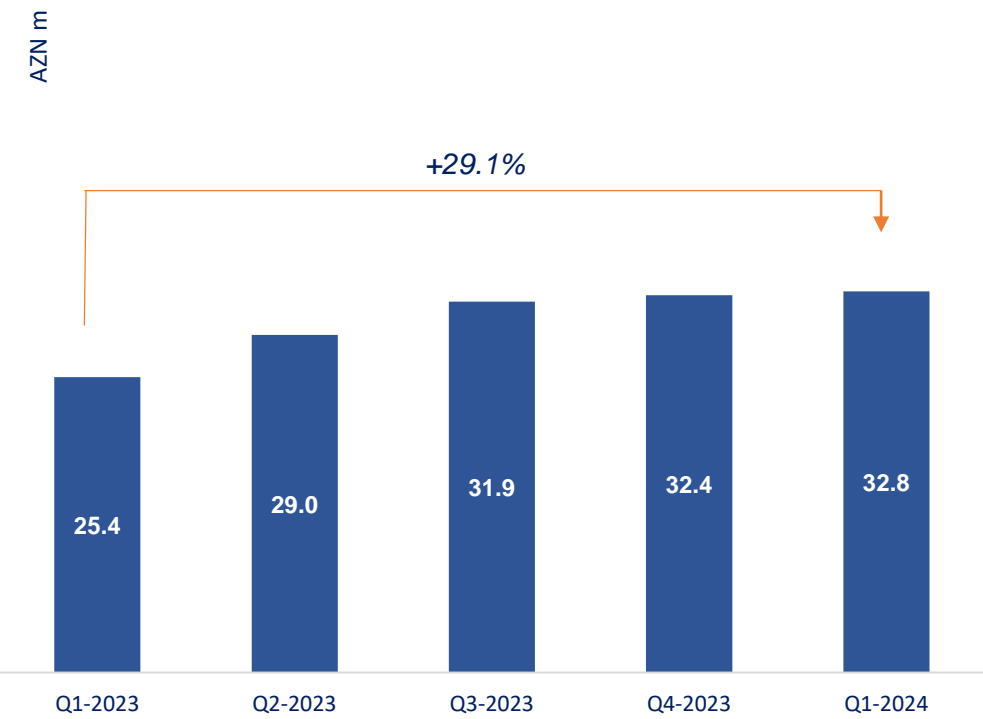
- On the back of strong lending and client-centric service model Bank delivers strong performance results



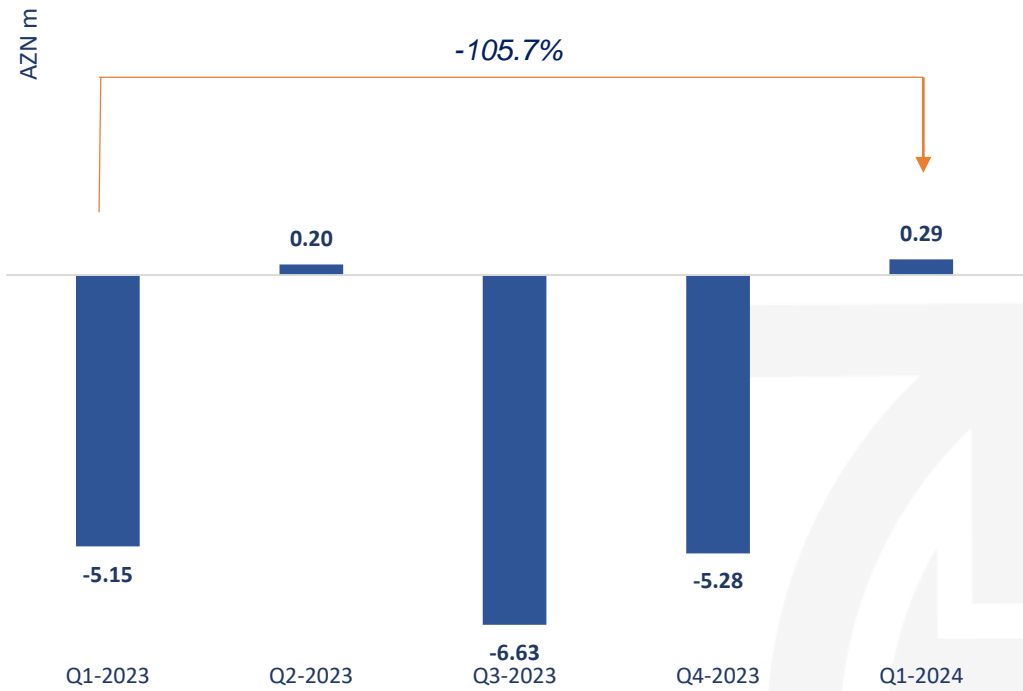
# Net interest Income & Provisions

- Robust efficiency results were driven by the strong performance of our portfolio, with interest income playing a pivotal role

Net interest income

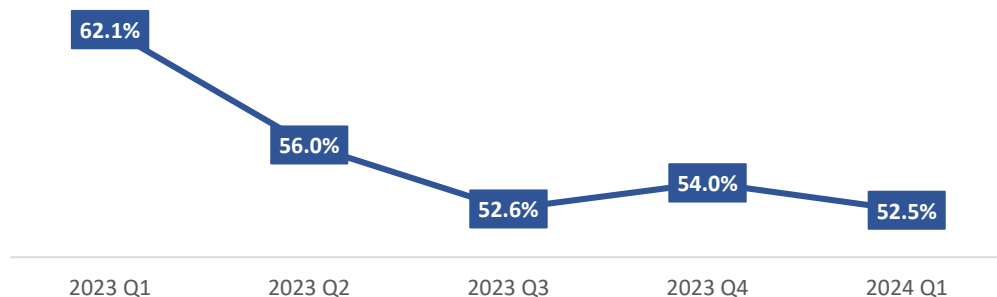


Net Provisions

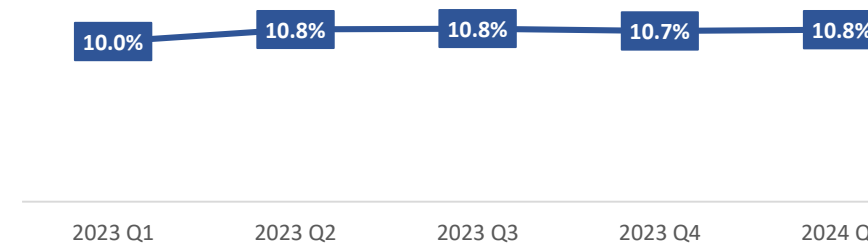


## Quality and efficiency

CIR

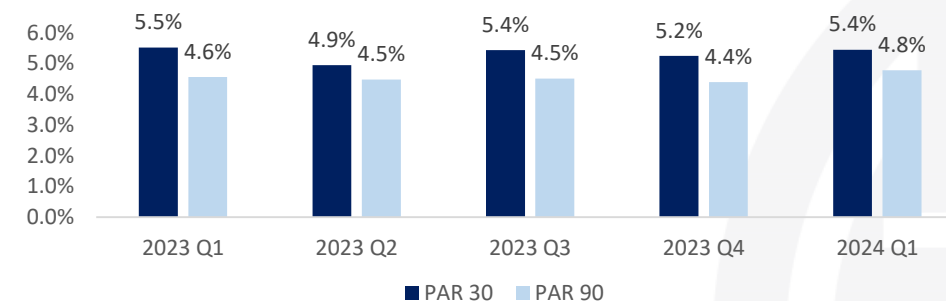


Net Interest Margin



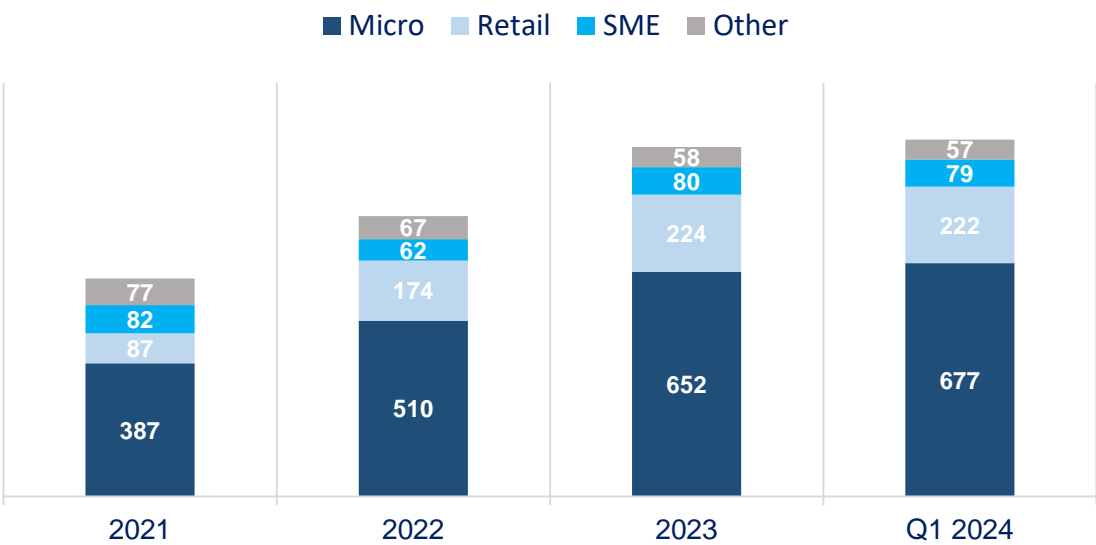
- The positive dynamics continue in terms of efficiency indicators driven by positive effect of economies of scale and optimization of the funding structure
- In addition, portfolio quality is stable and majority of NPLs are dated from the AZN devaluation period of 2015/16. Loan book originated post-devaluation exhibits stable performance with NPLs at below 2% level

NPL for Total Portfolio

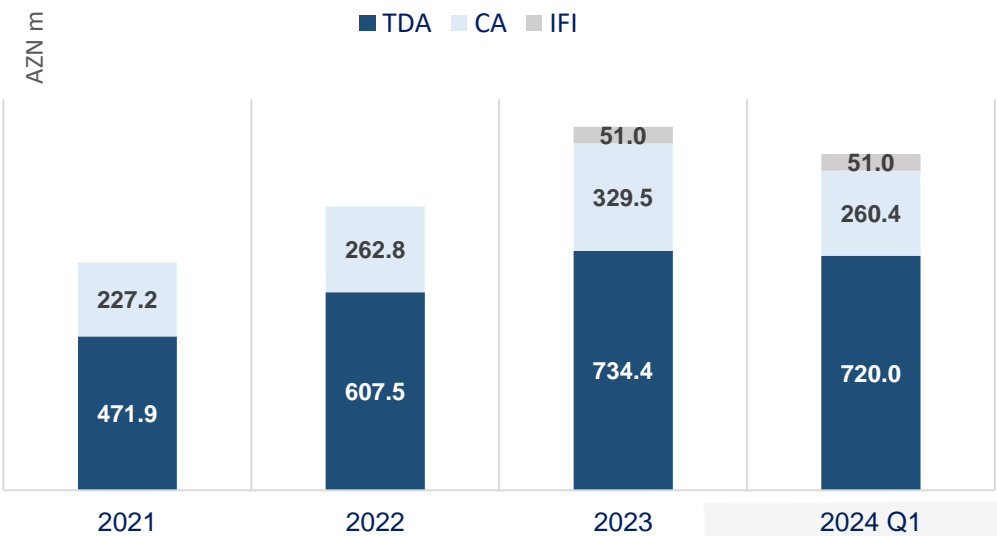


# Loan Portfolio and Funding

Loan Portfolio by segments, M AZN



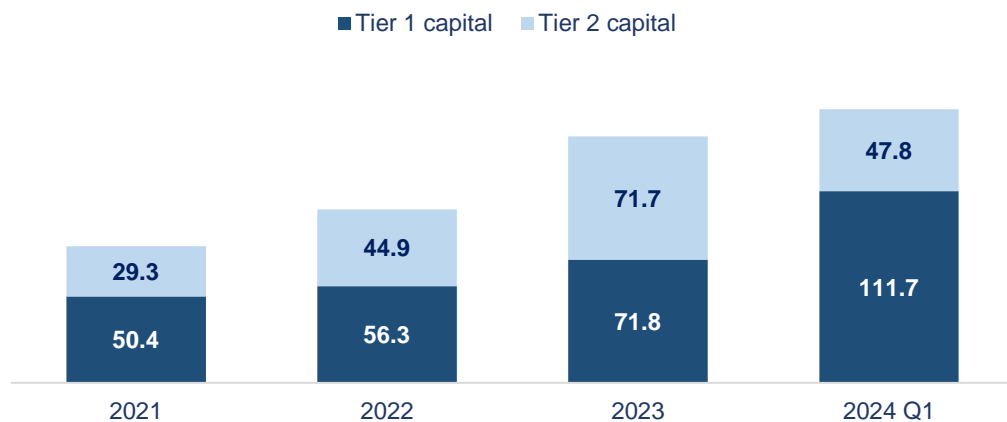
Funding



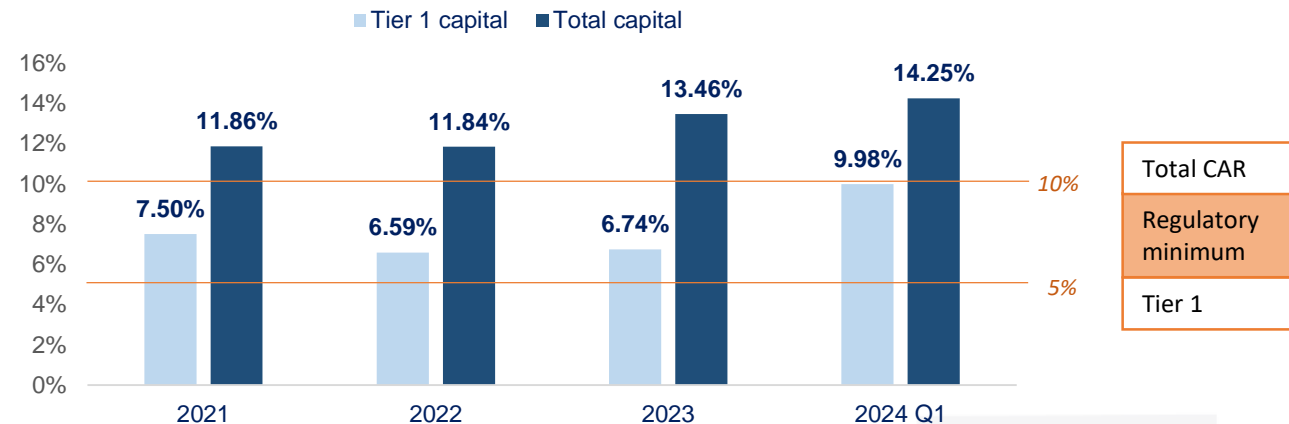
- AccessBank is a **Top 1 micro lender** in the market with 25% market share
- Since 2023 Bank has started active partnership with international funds

# Capital Adequacy

## Regulatory Capital



## Capital Adequacy Ratio



- Internal capital generation continues and allows us to target further growth
- Very strong CET 1 and total capital position



## News

---

### Senior Loan Agreement and Cooperation Agreement

- AccessBank has structured the Loan Agreement with two sub-funds of responsAbility SICAV (Lux). The Bank concluded a 3-year Loan Agreement with responsAbility SICAV (Lux) Financial Inclusion Fund, securing a total amount of USD 3 million. Additionally, AccessBank secured a loan of USD 2 million from responsAbility SICAV (Lux) Micro and SME Finance Leaders. The funds raised will be utilized for initiatives aimed at encouraging and developing entrepreneurship in Azerbaijan, including the financing of microloans, which is one of the Bank's top priorities.



## ESG Vision

---

Our top shareholders are foreign financial institutions with the largest footprint in promoting environmental, social and governance (ESG) principals directly or through their investees. AccessBank is no exception, when it comes to endorsing ESG principals.

### **Certain initiatives:**

- We are the only Bank in Azerbaijan that joined the UN initiative - Women Empowerment Principals. We constantly promote gender equality within our institution and amongst our customers. We conduct regular trainings, such as Access2Success aimed to develop necessary skills and knowledge for Women entrepreneurs and assist them with access to necessary financial instruments to develop their businesses;
- AccessBank joined a project dedicated to supporting women entrepreneurs in various regions of Azerbaijan. Funded by the US Embassy in Azerbaijan, the project is implemented by the Center for International Private Enterprise (CIPE) with the support of AccessBank. The project aims to support the social and economic participation and leadership of women by enhancing their knowledge and skills, fostering professional networks, and expanding their economic opportunities in entrepreneurship and quality employment;
- We actively support green lending within our MSME franchise, advice our clients on environmental considerations alongside generating commercial returns. We have funded numerous initiatives within our Micro & Small business line to support entrepreneurs in efficiency gains through investments in environmentally friendly technology, equipment and irrigation systems;
- AccessBank proudly announced its official membership in the United Nations Global Compact. This significant step reinforces AccessBank's commitment to advancing sustainable development goals and embracing ESG (Environmental, Social, and Governance) principles across its operations.

---

## Annexes

## Financial results: Profit and Loss Statement (Regulatory)

AZN '000	2021	2022	2023	Q1 2024
Interest income	101,053	140,555	195,339	53,099
Interest expense	(52,136)	(62,203)	(76,665)	(20,346)
<b>Net interest income</b>	<b>48,917</b>	<b>78,352</b>	<b>118,674</b>	<b>32,753</b>
Net fee & commission income	8,567	6,320	3,260	236
FX related result	943	2,497	3,830	806
<b>Operating Income</b>	<b>58,427</b>	<b>87,169</b>	<b>125,764</b>	<b>33,795</b>
Personnel expenses	(31,015)	(36,636)	(40,934)	(10,587)
Depreciation/Amortization	(5,963)	(6,331)	(7,276)	(1,831)
Other administrative expenses	(20,899)	(20,481)	(22,017)	(5,324)
<b>Total operating expenses</b>	<b>(57,877)</b>	<b>(63,448)</b>	<b>(70,227)</b>	<b>(17,743)</b>
<b>Operating result before risk</b>	<b>550</b>	<b>23,720</b>	<b>55,537</b>	<b>16,052</b>
LLP expenses	(1,031)	(3,389)	(19,947)	410
Provision for repossessed assets	873	(5,908)	3,093	(115)
Other income/expense	714	608	1,155	176
<b>Net profit after risk</b>	<b>1,106</b>	<b>15,032</b>	<b>39,838</b>	<b>16,522</b>

## Financial results: Balance Sheet (Regulatory)

AZN m	2021	2022	2023	Q1 2024
Liquid assets	176.7	246.8	327.7	263.5
<b>Loans</b>	632.5	813.5	1,013.8	1,035.5
Accrued interest	38.0	32.1	28.2	28.4
Loan loss provisions	-64.1	-60.7	-72.7	-72.6
PPE and IA	45.3	47.5	46.7	47.2
Other assets	53.8	32.8	23.0	33.4
Collateralized deposits	42.5	52.7	27.2	27.2
<b>Total Assets</b>	<b>924.7</b>	<b>1,164.7</b>	<b>1,393.9</b>	<b>1,362.6</b>
Customer deposits	707.5	883.5	1,080.9	997.7
<b>Borrowings</b>	87.3	115.0	135.5	147.9
Local funds	18.9	36.2	26.6	39.1
State funds	25.9	26.0	30.7	30.6
Deposit SWAPs	42.5	52.7	27.2	27.2
Borrowings from IFIs	0.0	0.0	51.0	51.0
Repo agreements	0.0	18.0	0.0	13.3
Bonds	0.0	8.5	8.5	8.5
Subordinated debt	22.7	22.0	22.0	22.0
Other liabilities	7.6	12.8	19.7	29.4
<b>Total Liabilities</b>	<b>841.5</b>	<b>1,059.9</b>	<b>1,266.7</b>	<b>1,218.8</b>
<b>Total Equity</b>	<b>83.2</b>	<b>104.9</b>	<b>127.2</b>	<b>143.7</b>