

Access Bank Plc. Group Audited Results for the Half Year ended 30 June 2018

“The Group reported top line earnings of ₦253bn, up 3% from the corresponding period in 2017, demonstrating the implementation of our strategy, notwithstanding the challenging operating environment. We recorded strong growth of 15% in our interest income to ₦187bn from ₦162bn in H1’17, and an increase of 21% in transaction banking income to ₦30.1bn from ₦24.8bn, as we continued to penetrate and deepen our market presence in the retail space.

However, the growth in interest and transaction banking income did not compensate enough for the significant decline in trading and foreign exchange income, which suppressed operating income for the period. Thus, consolidated profit before tax for the half year ended June 2018 came in at ₦45.8bn, from prior year’s figures of ₦52.0bn.

We continue to deliver on cost, capital and credit quality. Operating expense reduced by 6% from the corresponding period to ₦98.2bn from ₦105.1bn highlighting the effectiveness of our effort to systematically reduce our cost profile. Cost of risk came in at 0.6% from 1.1% in H1’17, and we remain financially robust, as underlined by our strong capital and liquidity ratios of 20.8% and 43.2% respectively.

Going into the second half of the year, we will continue to focus on bringing down our cost of funding and further diversify our earnings base” -

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE HALF YEAR ENDED 30 JUNE 2018

Gross Earnings rose 3% to ₦253.0bn in H1 2018, (H1 2017: ₦246.6bn), with interest and non-interest income contributing 74% and 26% respectively. Interest Income grew by 15% y/y to ₦186.7bn in H1 2018 from ₦161.9bn in H1 2017. Non-Interest Income of ₦66.1bn (-22% y/y) in H1 2018 from ₦84.4bn in H1 2017. Profit before Tax (PBT) for the period was ₦45.8bn (-12%; H1’17 ₦52.0bn) while Profit after Tax (PAT) remained flat at ₦39.6bn from ₦39.5bn in H1 2017. Return on Average Equity (ROAE) of 16.2% and Return on Asset of 1.9% in H1 2018.

The asset base of the Bank remained strong and robust with growth of 7% YTD in total assets to ₦4.37trn in June 2018 from ₦4.10trn in December 2017. Loans and Advances totaled ₦2.0trn as at June 2018 (December 2017: ₦2.06trn). Customer deposits increased by 7% to ₦2.41trn in June 2018, from ₦2.25trn in December 2017. Capital Adequacy of 20.8% and liquidity ratios of 43.2%, remained consistently above the regulatory minimum requirement.

Non-performing loans stood at 4.7% as at June 2018 (December 2017: 4.8%). Cost of risk decreased to 0.6% in H1 2018 from 1.1% in H1 2017 on the back of prudent risk management practices during the period.

Net Interest Margin (NIM) of 5.3% in Q2 2018 from 6.5% in Q2 2017, while Cost of Funds (CoF) decreased 20bps y/y to 5.8% from 6.0% in Q2 2017. Yield on Asset of 12.0%, down 140bps from 13.4% in Q2 2017 and Cost-to-Income Ratio (CIR) stood at 64.9% in H1 2018 (H1 2017: 62.7%)

Group Financial Highlights

Income Statement

In ₹'mn (unless stated otherwise)	H1 2018	H1 2017	Δ
Gross Earnings	253,024	246,575	3%
Interest Income	186,686	161,905	15%
Net Interest Income	85,296	83,042	3%
Non-Interest Income	66,120	84,420	(22%)
Operating Income	151,416	167,461	(10%)
Operating Expenses	98,233	105,050	(6%)
Impairment charges	7,340	10,363	(29%)
Profit before Tax	45,843	52,049	(12%)
Profit for the Period	39,625	39,460	(0%)
Earnings per Share (k)	128	138	(8%)
Dividend per Share (k)	25	25	0%

Balance Sheet

In ₹'bn (unless stated otherwise)	Jun. 2018	Dec. 2017	Δ
Loans and Advances	1,999	2,064	(3%)
Total Assets	4,371	4,102	7%
Customer Deposits	2,409	2,245	7%
Shareholders' Fund	460	515	(11%)

Key Ratios

In (%)	H1 2018	H1 2017	Δ
Return on Average Equity	16.2	16.9	(0.7)
Return on Average Assets	1.9	2.3	(0.4)
Net Interest Margin	5.6	6.7	(1.1)
Cost-to-Income Ratio	64.9	62.7	2.2
Capital Adequacy Ratio	20.8	21.6	(0.8)
Liquidity Ratio	43.2	45.4	(2.2)
Loan-to-Deposit Ratio	58.7	74.3	(15.6)
Non-Performing Loans Ratio	4.7	2.5	2.2
Cost of Risk	0.6	1.1	(0.5)



For further information please contact:

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Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **30 August 2018** at **14:00hrs** Lagos (**09:00hrs** New York, **14:00hrs** London, **15:00hrs** Johannesburg)

Click to access the [webcast](#) made available on the IR portal of the Bank’s website

Audio Conference

Please click on this [Registration link](#) to pre-register for the call and receive dial-in information.

The audio conference call can be accessed by dialling the following numbers:

Nigeria	+234 1 903 0040
South Africa	+27 10 201 6700
United Kingdom – Toll Free	+44 333 300 1417
United States of America – Toll Free	+1 508 924 4325

ABOUT ACCESS BANK

Access Bank is a full service commercial bank operating through branches and service outlets located in major centres primarily across Nigeria and sub-Saharan Africa, as well as the United Kingdom (extension to United Arab Emirates (Dubai)), with representative offices in China, Lebanon, and India. The Group provides a wide range of banking and other financial services to over 9 million customers from 392 branches and service centres.

Listed on the Nigerian Stock Exchange in 1998, the Bank serves its various markets through four business segments: Personal, Business, Commercial and Corporate & Investment Banking. The Bank has over 830,000 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 ranking amongst Africa's top 20 banks by total assets and capital in 2015.

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.

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.