

**Group Unaudited Results for the First Quarter ended 31 March 2020****1 YEAR ANNIVERSARY OF MERGER**

*“In spite of current macro economic issues, we have made solid progress in the first quarter of 2020 in line with our 2018-2022 five year strategy. This is based on a sustainable and resilient business model; as we continue to invest in our people, technology and product offerings to better serve our customers.*

*On the one year anniversary of the Bank’s merger with Diamond Bank, the Group delivered solid earnings underscoring the value potentials of the newly expanded business franchise with Gross Earnings of ₦209.8bn, a 31% increase from the prior year. A major driver of this growth is the 58% increase in non-interest income to ₦77.9bn, on the back of improved gains on trading instruments and a decisive approach to grow transaction income sustainably through channels and other E-business.*

*We have taken major strides in embedding efficiency in all facets of our business, leveraging retail and pursuing proposed merger synergies. We have achieved ₦54.3bn of the proposed ₦153.9bn synergies, of which revenue synergies account for 86%. Showcasing further impact of the value accretive merger, our average Cost of Funds dropped 60bps y/y and q/q, leading to an improved Net Interest Margin of 5.9%*

*Despite the high cost of operation, arising from the enlarged business scale, and increase in net impairment charge, Profit before Tax (PBT) grew by 3% to ₦46.3bn. Our Cost-to-Income ratio stood at 62.2% due to increased cost of operations of the enlarged business scale, higher regulatory costs and increased investment in creating IT efficiency slacks poised to meet the Bank’s future growth ambitions.*

*Our capital and liquidity position remained above regulatory levels, with a Capital Adequacy Ratio of 20.9% and liquidity ratio of 44.6%, demonstrating the capacity of the enlarged balance sheet to cope with possible shocks. Immense focus was also placed on asset quality with a conservative stance, backed with write offs to further drive our NPL ratio down to 5.5% in the period.*

*Recognizing the impact of the COVID-19 Pandemic on macro, social, and consumer behavior, Access Bank remains committed to delivering innovative service offerings and strong value to our customers and stakeholders. In view of this, we have enacted a wide-ranging set of financial stability measures and taken proactive steps to minimise our exposures and migrate more of our customers to our E-banking platforms.”*

**Herbert Wigwe, GMD/CEO**

## **FINANCIAL REVIEW FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**Gross Earnings rose** 31%/y/y to ₦209.8bn in Q1 2020, (Q1 2019: ₦160.1bn), with interest and non-interest income contributing 63% and 37% respectively. Interest Income grew by 19%/y/y to ₦131.9bn in Q1 2020 (Q1 2019; ₦110.8bn), largely driven by the growing efficiency of our enlarged balance sheet.

Non-Interest Income increased by 58%/y/y to ₦77.9bn in Q1 2020 from ₦49.3bn in Q1 2019, driven by a 416% increase in gains on trading instruments and our strategic intent to grow transaction income sustainably through channels and other E-business.

**Profit before Tax (PBT)** for the period was ₦46.3bn (+3%/y/y; Q1 2019: ₦45.1bn), while Profit after Tax (PAT) decreased marginally by 1%/y/y to ₦40.9bn from ₦41.1bn in Q1 2019, as a result of a 36%/y/y rise in effective tax within the period. Return on Average Equity (ROAE) stood at 26.3% with a Return on Asset (ROA) of 2.3% in the period.

**The assets base of the Bank remained strong and diversified** with growth of 2% YTD in Total Assets to ₦7.28trn in March 2020 from ₦7.15trn in December 2019. Net Loans and Advances totaled ₦3.15trn as at March 2020 (December 2019: ₦3.06trn), while Customer deposits increased by 5% to ₦4.46trn in March 2020, from ₦4.26trn in December 2019.

**Capital Adequacy (CAR)** remained well above regulatory minimum at 19.0%, reflecting the full impact of the IFRS 9 implementation. Adjusted impact Transitional CAR stood at 20.9%. Similarly, Liquidity ratio of 44.6% (December 2019: 47.6%) though decreased, remained well above regulatory requirements.

**Non-performing loans (NPL) ratio** stood at 5.5% as at March 2020 (December 2019: 5.8%), on the back of write-offs in the period.

**Net Interest Margin (NIM)** of 5.9% in Q1 2020 from 5.7% in Q1 2019, while Average Cost of Funds (CoF) decreased 60bps y/y to 3.80% from 4.4% in Q1 2019 (Actual CoF in the period was 3.75%). Yield on Assets of 10.9%, down marginally by 10bps y/y from 11.0% in Q1 2019.

**Cost-to-Income Ratio (CIR)** increased by 900bps y/y to 62.2% in Q1 2020 (Q1 2019: 53.2%). This is due to the high cost of operation of the enlarged business scale, driven by higher regulatory costs and increased investment in creating slacks in IT efficiency.

## Group Financial Highlights

### Income Statement

<u>In ₦'mn (unless stated otherwise)</u>	<u>Q1 2020</u>	<u>Q1 2019</u>	<u>%Δ</u>
Gross Earnings	209,795	160,123	31↑
Interest Income	131,869	110,777	19↑
Net Interest Income	72,212	56,838	27↑
Non-Interest Income	77,926	49,346	58↑
Operating Income	145,194	103,625	40↑
Operating Expenses	90,319	55,148	64↑
Impairment Charges	8,582	3,375	154↑
Profit before Tax	46,293	45,101	3↑
Profit for the Period	40,929	41,148	1↓
Earnings per Share (k)	121	139	13↓

### Balance Sheet

<u>In ₦'bn (unless stated otherwise)</u>	<u>Mar. 2020</u>	<u>Dec. 2019</u>	<u>%Δ</u>
Loans and Advances	3,149	3,064	3↑
Total Assets	7,281	7,147	2↑
Customer Deposits	4,457	4,256	5↑
Shareholders' Funds	636	610	24↑

### Key Profitability and Efficiency Ratios

<u>In (%)</u>	<u>Q1 2020</u>	<u>Q1 2019</u>	<u>%Δ</u>
Net Interest Margin	5.9	5.7	0.3↑
Cost-to-Income Ratio	62.2	53.2	9.0↑
Return on Average Equity	26.3	30.9	4.6↓
Return on Average Assets	2.3	2.9	0.6↓

### Key Balance Sheet Ratios

<u>In (%)</u>	<u>Mar. 2020</u>	<u>Dec. 2019</u>	<u>%Δ</u>
Capital Adequacy Ratio	20.9	20.0	0.9↑
Liquidity Ratio	44.6	47.6	3.1↓
Loan-to-Funding Ratio (Bank)	62.9	62.9	0.0↓
Non-Performing Loans Ratio	5.5	5.8	0.3↓

## Key Retail Metrics

	Q1 2020	Q1 2019	%Δ
Digital Loan Transaction count (N'000)	1,265	327	287↑
Digital Loan Transaction Value (N'mn)	29,103	7,189	305↑
Mobile Users ('000)	7,193	6,182	16↑
USSD Users ('000)	4,919	1,860	164↑
USSD Transaction Count (N'mn)	116	89	29↑
USSD Transaction Value (N'bn)	320	187	71↑
NIP Transaction Count (N'mn)	61	35	75↑
NIP Transaction Value (N'bn)	2,883	856	237↑
Debit & Credit Card Transaction Count (N'mn)	270	101	167↑
Debit & Credit Card Transaction Value (N'bn)	1,032	763	35↑
POS Transaction Count (N'mn)	23	12	96↑
POS Transaction Value (N'bn)	172	107	60↑
ATM Transaction Count (N'mn)	44	22	102↑
ATM Transaction Value (N'mn)	443	418	6↑
Mobile & Internet Transactions Count (N'mn)	90	54	67↑
Mobile & Internet Transactions Value (N'bn)	4,591	3,788	21↑

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## **ABOUT ACCESS BANK**

Access Bank Plc. is a leading full-service commercial Bank operating through a network of over 660 branches and service outlets, spanning three continents, 12 countries and over 35 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](http://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.