

Access Bank Plc Group audited IFRS results for the first half ended 30 June 2015

LAGOS, NIGERIA – 20 August 2015 – Access Bank Plc, (Bloomberg: **ACCESS NL** /Thomson Reuters: **ACCESS.LG**) (“Access Bank” or the “Bank”), the full service commercial bank with headquarters in Nigeria and operations across Sub-Saharan Africa and the UK, announces its audited results for the first half ended 30 June 2015. The Group recorded a strong performance in the first half of the year, reasserting its capacity and resolve to deliver strong returns in spite of a tighter operating environment. The Bank proposes an interim dividend of 25Kobo per share.

Commenting on the results, Herbert Wigwe, Group Managing Director stated “the results reflect the Bank’s concerted efforts to deliver on its growth objectives for 2015. The first half of the year was defined by significant macro-economic and policy headwinds with major impact on all aspects of our business. The group despite those challenges reported improved profits in the first half of the year with significant contributions from our securities trading business.

We are particularly pleased with the strong support from our shareholders as they exercised their Rights during the recently concluded Offer which raised N41.8 billion. The successful Capital Raise underscores the overwhelming support of our shareholders and their belief in Management’s ability to deliver long term value. With our capital position secure, our priority will be to focus on; driving migration of our customers to alternative platforms to boost profitability of our channels; implementing our customer service improvement initiatives; generating low-cost liability from continued engagement with customers; growing risk assets by deepening market share in target sectors; optimising and improving penetration of our customers’ value chain and driving operational efficiency through cost containment and procurement optimization measures.”

Financial Performance Highlights

Revenue & Profitability

- Gross Earnings of ₦168bn in H1 2015, up 42% (H1 2014: ₦118bn); of which interest income and non-interest income comprised 18% and 37% growth respectively
- Interest Income grew by 18% to ₦98.9bn in H1 2015 from ₦83.6bn in H1 2014; supported by higher loans and advances (24% y/y) and sustained yield on investment securities
- Non-Interest Income was up 101% to ₦69.4bn in H1 2015 from ₦34.6bn in H1 2014, underlined by increased net gains on swaps and derivatives
- Operating income of ₦117.6bn grew by 42% in H1 2015 compared with ₦83.1bn in the corresponding period of 2014
- Profit Before Tax (PBT) for the period rose by 44% to ₦39.1bn (H1 2014: ₦27.1bn)
- Profit After Tax (PAT) was up 39% in H1 2015 to ₦31.3bn, compared to ₦22.6bn in H1 2014
- Return On Average Equity (ROAE) of 21.6% in H1 2015, from 16.5% in FY 2014
- Interim dividend of 25Kobo per share (H1 2014: 25k)

Balance Sheet

- Loans and Advances recorded a growth of 14% to ₦1.3 trn in H1 2015, from ₦1.1 trn in December 2014
- Customer deposits of ₦1.6 trn up 13% from ₦1.5 trn in December 2014, resulting from enhanced customer engagement and focused deposit mobilization during the first half of the year
- Total Assets up 14% YTD to ₦2.4 trn in H1 2015 compared to ₦2.1 trn in December 2014

- Capital Adequacy Ratio (CAR) improved to 19.0 % (Dec 2014: 18.4%). With the recent Capital accretion via the rights issue, CAR is expected to remain above regulatory requirement as the Bank meets its growth targets in the medium term

Asset Quality

- Impairment charges on credit losses was up by 179% to ₦8.9 billion from ₦3.5 billion in H1 2014, largely driven by collective impairment recognized on medium to large sized exposures following the reassessment of loans, on the back of prevalent macro-economic conditions. Similarly cost of risk increased by 70 bps to 1.1%. We remain committed to ensuring the implementation of our robust risk management framework whilst efficiently de-risking our loan portfolio.
- Conversely, non-performing loans to total gross loans improved to 1.8%, a 40bps decrease from 2.2% as at December 2014, owing to a larger sized loan portfolio with emphasis on quality obligors and enhanced monitoring of facility performance
- Coverage Ratio (inclusive of regulatory risk reserve) increased to 175% in H1 2015 from 154% as at December 2014.

Operational Efficiency

- Net Interest Margin (NIM) of 5.6% in H1 2015 from 6.9% in H1 2014 but remained flat on a q/q basis at 5.8% (Q1 2015: 5.9%); underlined by increased funding costs, however tapered by improved value added service to our customers resulting in the growth in non-interest income.
- Reflective of the increased interest expenses, cost of funds increased by 100bps y/y to 5.3% (H1 2014: 4.3%) and 70bps q/q to 5.8% (Q1 2015: 5.1%). Increase is reflective of the high interest rate environment, on the back of harmonization of the Cash Reserve requirement on public and private sector deposits.
- Cost to Income Ratio (CIR) improved by 390bps y/y to 59.2% in H1 2015 (H1 2014: 63.1%) and 550bps q/q to 56.7% (Q1 2015: 62.2%); impacted by the strong growth in operating income.

Operational Highlights

- Successfully concluded the Rights Issue raising ₦41.8 billion, offering one (1) ordinary share for every existing three (3) units at ₦6.90 per share
- Awarded:
 - Best Flow House in Africa in the 2015 Euromoney Awards for Excellence, for demonstrating the ability to excel in areas of foreign exchange, equities, rates and credit and commodities to our customers across the continent. The Bank emerged as the first Nigerian Institution to win this award.
 - Institutional Leadership in Risk Advocacy Award by the Risk Managers Association of Nigeria (RIMAN) - 2015
 - Most Socially Responsible Bank in Nigeria by the International Finance Magazine UK - 2014/2015
 - Corporate Affairs Commission Corporate Citizens Award under the More Extensive Compliance Category – 2015
- Launched Finance Logistics Worldwide Scheme (FLOWS), an import financing and logistics service tailored to the needs of Small and Medium Enterprises (SMEs)
- Established a representative office in the United Arab Emirates to facilitate trade finance

Financial Highlights

<i>Income Statement (#'M)</i>	H1'15	H1'14	%Δ
Gross Earnings	168,340	117,918	43
Interest Income	98,862	83,577	18
Net Interest Income	48,163	48,742	(1)
Operating Income	117,641	83,084	42
Operating Expenses	69,641	52,460	33
Profit Before Tax	39,113	27,118	44
Profit for the Period	31,287	22,586	39
Earnings Per Share (k)	135	99	36
<i>Balance Sheet (#'B)</i>	Jun'15	Dec'14	%Δ
Total Assets	2,392	2,104	14
Loans & Advances	1,280	1,123	14
Customer Deposits	1,639	1,454	13
Shareholders Fund	303	277	9

<i>Key Ratios</i>	H1'15	H1'14	Δ
Returns on Average Equity (%)	21.6	18.3	3.3
Returns on Average Assets (%)	3.5	2.8	0.7
Net Interest Margin (%)	5.6	7.0	(1.4)
Cost-to-Income Ratio (%)	59.2	63.1	(3.9)
	Jun'15	Dec'14	Δ
Loans to Deposits Ratio (%)	72.8	71.4	(1.4)
Liquidity Ratio (%)	37.1	36.0	1.1
Capital Adequacy Ratio (%)	19.0	18.4	0.6
Non-Performing Loan Ratio (%)	1.8	2.2	(0.4)
Cost of Risk (%)	1.1	0.4	0.7
Coverage (%)	175	154	21

Investor enquiries

Tobi Akinbiyi: Head, Strategy and Investor Relations

Direct: +234 (1) 236 4131

Email: tobi.akinbiyi@accessbankplc.com

Cathy Okwara: Investor Relations Officer

Direct: +234 (1) 236 2765

Email: catherine.okwara@accessbankplc.com



ABOUT ACCESS BANK

Access Bank Plc. is a full service commercial Bank operating through a network of 364 branches, service outlets located in major centres across Nigeria, Sub Saharan Africa and the United Kingdom and representative offices in Asia. Listed on the Nigerian Stock Exchange in 1998, the Bank serves its various markets through 4 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.

Conference Call Invitation

Audited Results for the first half ended 30 June 2015

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **26, August 2015** at **1400hrs** Lagos (**0900hrs** New York, **1400hrs** London, **1500hrs** Johannesburg) with its senior management to announce Access Bank Plc.'s audited results for the first half ended 30 June 2015. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

Website

The presentation will be made available on the IR portal of the Bank's website prior to the call.

Webcast

You can access the webcast at this link: <http://edge.media-server.com/m/p/r384xrok>

Audio conference

The Audio conference call facility can be accessed by dialling:

London, United Kingdom:	+44(0)20 3427 1912
New York, United States of America:	+1718 971 5738
Johannesburg, South Africa:	+2711 019 7074

Confirmation Code: 7431536

Participants should register for the call at least five minutes before the start of the presentation. For those who are unable to listen to the live call, a recording will be posted onto the company's website as soon as possible after the event.