

Access Bank Plc Group unaudited IFRS results for third quarter ended 30 September 2015

LAGOS, NIGERIA – 21 October 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 with operations across Sub-Saharan Africa and the UK, announces its unaudited results for the nine months period ended 30 September 2015.

Speaking on the results, the Group Managing Director, Herbert Wigwe noted that “the Bank continues to maintain strong growth in earnings reflecting our commitment to deliver on our objectives for 2015. The Group posted a PBT of ₦60bn (Sep’14: ₦42bn), in spite of the significant policy headwinds in the first 9 months of the year.

We continue to invest in technology, enhance our processes and improve service delivery whilst reducing cost as we deploy simple and efficient digital solutions to meet the needs of our customers. The recent upgrade of our core banking applications will act as catalyst for the sustainable growth of our retail base and deepen our share in key focus market segments.

Financial Performance Highlights

Revenue & Profitability

- Gross Earnings totaled ₦258bn in 9M 2015, a 42% increase y/y (9M 2014: ₦182bn); with total contribution of interest income at 60% and non-interest income at 40%.
- Interest Income rose by 18% y/y to ₦155.4bn in 9M 2015 from ₦132bn in 9M 2014; as a result of improved income from loans and increased yield on investment securities
- Non-Interest Income of ₦102bn, up 106% in 9M 2015 from ₦50bn in 9M 2014, as a result of net gains in financial instruments classified as held for trading
- Operating income of ₦178bn rose by 42% in 9M 2015 compared with ₦126bn in the corresponding period of 2014
- Profit Before Tax (PBT) for the period stood at ₦60bn, a 43% growth when compared to the third quarter of 2014 at ₦42bn
- Profit After Tax (PAT) was up 34% in 9M 2015 to ₦48bn, compared to ₦35bn in 9M 2014
- Return On Average Equity (ROAE) of 20.4% in 9M 2015, from 18.9% in 9M 2014, driven by significant improved profitability; however this was diluted by additional capital in the third quarter

Balance Sheet

- Loans and Advances recorded a growth of 16% to ₦1,312trillion in 9M 2015, from ₦1,123 trillion in December 2014
- Customer deposits totaled ₦1.56tn, an 8% increase from ₦1.45 trillion in December 2014
- Total Assets of ₦2.40trillion up 14% YTD, compared to ₦2.10 trillion in December 2014
- Capital adequacy ratio improved by 370bps to 21.7% when compared to 18% in December 2014, reflecting the impact of the Rights Issue

Asset Quality

- Credit quality improved in the third quarter of 2015 as the percentage of non-performing loans to total gross loans was recorded at 1.7%, a 50bps decrease from 2.2% as at December 2014
- Coverage Ratio (with regulatory risk reserve) increased to 196% in Q1 2015 from 154% as at December 2014.
- Impairment charges increased to ₦11.6bn from ₦7.0bn in 9M 2014, with a corresponding rise in cost of risk at 0.8% from the same period in 2014 (9M 2014: 0.4%) largely incurred by collective impairment recognized on medium to large sized exposures following the reassessment of loans, on the back of prevalent macro-economic conditions

Operational Efficiency

- Net Interest Margin (NIM) of 5.9% in 9M 2015, up from 5.6% in Q2 2015, reflective of improved yield on assets on a q/q basis
- Cost of Funds increased by 90bps y/y to 5.4% from 4.5% in 9M 2014 but improved by 40bps on a q/q basis (Q2 2015: 5.8%); reflective of the continued high interest rate environment
- Cost to Income Ratio (CIR) was recorded at 59.6%, down 160bps from 61.2% in 9M 2015, supported by strong revenue growth during the period

Operational Highlights during the Quarter

- The Bank appointed a new Chairman of the Board, Mrs Moji Belo-Olusoga upon the completion of the successful tenor of the former Chairman, Mr Gbenga Oyebo
- Upgraded the Bank's core banking application to the highest version of Flexcube banking system (Flexcube 12.0.2) that enhances service delivery across all customer touchpoints

Financial Highlights

<i>In Billions of Naira</i>			
Income Statement	9M'15	9M'14	% Δ
Gross Earnings	257,559	181,797	42
Interest Income	155,361	131,724	18
Net Interest Income	75,897	75,945	0
Operating Income	178,094	125,578	42
Operating expense	106,171	76,874	38
Profit before tax	60,372	42,156	46
Profit for the period	48,093	35,833	34
Earnings Per Share (k)	196	157	25

<i>In Trillions of Naira</i>			
Balance sheet	9M'15	FY'14	% Δ
Total Assets	2,402	2,104	14
Loans & Advances	1,312	1,123	17
Customer Deposits	1,558	1,454	7
Shareholders Fund	352	277	27

Key ratios	9M'15	9M'14	Δ
Returns on Average Equity (%)	20.4	18.9	1.5
Returns on Average Assets (%)	3.6	2.9	0.7
Net Interest Margin (%)	5.9	6.9	(1.4)
Cost-to-Income Ratio (%)	59.6	61.2	(1.3)
	9M'15	FY'14	Δ
Loans to Deposits Ratio (%)	76.4	71.4	5.0
Liquidity Ratio (%)	36.3	36.0	0.3
Capital adequacy Ratio (%)	21.7	18.0	3.7
Non-Performing Loans Ratio (%)	1.7	2.2	(0.5)
Cost of Risk (%)	0.9	0.4	0.5
Coverage (%)	196	154	42

Investor enquiries

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ABOUT ACCESS BANK

Access Bank Plc. is a full service commercial Bank operating through a network of 364 branches and service outlets located in major centres across Nigeria, Sub Saharan Africa and the United Kingdom. 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

Unaudited Results for the Third Quarter ended 30 September 2015

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **23, October 2015** at **15.00hrs** Lagos (**9.00hrs** New York, **15.00hrs** London, **16.00hrs** Johannesburg) with its senior management to announce Access Bank Plc.'s unaudited results for the nine months period ended 30 September 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/u5x8vajj>

Audio conference

The Audio conference call facility can be accessed by dialling:

London, United Kingdom:	+44(0)20 3427 1913
New York, United States of America:	+1212 444 0412
Johannesburg, South Africa:	+2711 019 7074

Confirmation Code: **6255641**

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.