

Access Bank Plc Group Audited IFRS results for the twelve months ended 31 December 2014

LAGOS, NIGERIA – March 16, 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 audited results for the twelve months period ended 31 December 2014 and proposes a final dividend of 35kobo per share bringing the total dividend for the year to 60kobo per share.

Commenting on the results, Herbert Wigwe, Group Managing Director stated that the Bank’s financial performance in 2014 reflects the effective execution of our strategy. The group recorded a Profit Before Tax (PBT) of N52bn (2013: N43.5bn) in spite of the macro, regulatory and banking industry specific headwinds. He therefore, expressed gratitude to all stakeholders, especially all customers and staff, for their loyalty and dedication, without which such results could not have been achieved.

According to Herbert Wigwe “We remain committed to sustaining this improved financial performance in 2015 and we have taken decisive steps to enhance our capacity to deliver on our objective of maximising shareholder value.

Financial Performance Highlights

Revenue & Profitability

- **Gross Earnings** of ₦245.1 bn in 2014, up 19% from N206.8 bn FY 2013. The significant growth in earnings was largely driven by 21% growth in interest income and 12% growth in non-interest income
- **Interest Income** grew by 21% to ₦176.9bn in 2014 from ₦146bn in FY 2013. The growth was primarily driven by higher loans & advances and improved yield on fixed income securities
- **Non-Interest Income** was ₦68.3billion in 2014 compared with ₦60.8 billion in the prior year. The 12% y/y growth was as a result of increased net gains in financial instruments classified as held for trading
- **Operating income** increased by 21% to ₦168.3bn (FY 2013: ₦138.5bn), underlined by increased earnings contribution from both interest and non-interest income
- **Profit Before Tax (PBT)** for the year up 20% to ₦52bn in 2014 (2013: ₦43.5bn). Recorded growth is not reflective of the full extent of the improvement in operating performance as 2013 benefited from one-off impairment write-back of ₦6.2bn
- **Profit After Tax (PAT)** up 20% in 2014 at ₦43.1bn, compared with ₦36bn in 2013. This primarily reflects improved earnings
- **Return On Average Equity (ROAE)** increased to 17% in FY 2014 from 15% recorded in FY 2013

Balance Sheet

- **Loans and Advances** up by 39% to ₦1.1 trillion in December 2014. The strong loan growth was largely driven by the significant increase in the FCY loan book, utilizing our US\$400m subordinated notes raised in June 2014
- **Customer deposits** grew by ₦123 billion to ₦1.45 trillion as at December, 2014 representing a 9% increase
- **Total Assets** increased by 15% y/y to ₦2.1 trillion in December, 2014
- **Capital Adequacy Ratio (CAR)** of 18.4% (December 31, 2014: 19.2%). Capital Adequacy well above the minimum requirement, the bank has taken necessary steps to enhance its capital in order to exploit market opportunities in key sectors of the economy despite the full implementation of Basel II reporting

Asset Quality

- **Credit quality** improved in 2014. The percentage of NPLs to total gross loans further improved to 2.2% from 2.7% as at December 2013
- **Coverage Ratio** (with regulatory risk reserve) increased to 154% in 2014 from 113% as at December 2013; adequate provisions are made on classified assets
- **Impairment charges** of ₦11.7bn in 2014 in contrast with the ₦6.2bn one-off impairment write-back in 2013. Cost of risk stood at 1.2% in 2014

Operational Efficiency

- **Net Interest Margin (NIM)** increased by 100bps to 6.8% in 2014 from 5.8% in 2013. Improvement in NIM was largely driven by improved yield and stable cost of funding
- **Cost to Income Ratio (CIR)** improved significantly to 62% in 2014 compared with 73% in 2013 largely driven by revenue uplift and cost efficiency

Operational Highlights

- The Bank's credit rating was upgraded from A to A+ by Agosto & Co, Nigeria's foremost rating agency and the Global Credit Rating agency. This rating upgrade reflects improvement in the Bank's asset quality, capitalisation and enhanced risk management framework
- Successfully issued US\$400m Subordinated Notes and commenced equity capital raise by the way of Rights Issue to strengthen our overall capital in line with our capital plan
- Established a representative office in China to facilitate trade finance
- Launch of the 'W Initiative' to reinforce the Bank's long held tradition of empowering women and providing innovative solutions for them

Financial Highlights

In Billions of Naira

Income Statements	2014	2013	% Change
Gross Earnings	245	207	19
Interest Income	177	146	21
Net Interest Income	100	78	29
Operating Income	168	139	21
Operating expense	105	101	3
Profit before tax	52	44	20
Profit for the year	43	36	20
Earnings Per Share (k)	188	158	19
Balance sheet	Dec. 2014	Dec. 2013	% Change
Total Assets	2,104	1,835	15
Net Loans	1,123	811	38
Total Deposits	1,454	1,331	9
Shareholders Fund	277	244	13

Key ratios	2014 %	2013 %	Change
Returns on Average Equity (ROAE)	16.5	14.8	+1.7
Returns on Average Assets (ROAA)	2.6	2.4	+0.2
Net Interest Margin (NIM)	6.8	5.8	+1.0
Cost-to-Income Ratio(CIR)	62.2	73.1	+10.9
Loans to Deposits Ratio (LDR)	71.4	57.8	+13.6
Liquidity Ratio	36.0	41.4	-5.4
Capital adequacy Ratio (CAR)	18.4	19.2	-0.8
Non-Performing Loan Ratio (NPL)	2.2	2.7	+0.5
Cost of Risk	1.2	-	-1.2
Coverage	154.2	113.1	+41.1

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ABOUT ACCESS BANK

Access Bank Plc. is a full service commercial Bank operating through a network of 366 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 2014.

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.