

Access Bank Plc. Group Audited IFRS results for the Half Year ended 30 June 2016

LAGOS, NIGERIA – 19 August 2016 – 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, the UK, Asia and the Middle East, announces its audited results for the half year ended 30 June 2016 and proposes an interim dividend of 25 kobo per share.

Group Managing Director / Chief Executive Officer’s Review

“Access Bank’s performance continues to be resilient in the face of a challenging macro-economic environment, which has been further exacerbated by double-digit inflation, amidst an untimely devaluation. Despite these macro uncertainties, we delivered gross earnings of ₦174 billion, while pre-tax profits grew 28% to ₦50 billion in the period. The results underscore our continued ability to grow sustainably whilst effectively adapting to a challenging operating landscape.

The prevalent macro-economic conditions put a strain on business performance across the industry, with increased concerns about asset quality deterioration. Despite these challenges, the Bank’s asset quality remained stable, as non-performing loans remained below industry average, in line with our guidance. Our capital and liquidity levels were also sustained above regulatory limits.

During the period, we grew our retail market share, leveraging innovation and technology to create lifestyle products and enhance customer experience. This growth has led to significant increase in our transaction volumes and fee-related income. In addition, our cost of funds dropped by 170 bps y/y reduction, reflecting the increase in our low cost funding base.

Notwithstanding the high inflation and the impact of the currency devaluation on cost, operating cost remained stable owing to our cost management initiatives. Optimising operational efficiency will remain an imperative for the second half of the year, as we continue to see the benefits of our cost initiatives intensify over the next few months.

We believe that macro conditions will remain challenging. Nonetheless, our priority in the coming months will be to strengthen our position in the industry; increasing focus on risk and operational efficiency, with customer-centricity at the heart of our strategy.”

– Herbert Wigwe, GMD/CEO

Financial Performance Review

Revenue and Profitability

- **Gross Earnings** of ₦174.0 billion in H1 2016, up 3% y/y from ₦168.3 billion in H1 2015
- **Interest Income** up 14% y/y to ₦112.3 billion in H1 2016 from ₦98.9 billion in H1 2015; benefitting from steady income growth from the Bank's core business and a 14% y/y reduction in interest expense
- Strong growth in fee and commission income contributed to **Non-Interest Income** of ₦61.7 billion (H1 2015: ₦69.4 billion); largely offsetting the decline in trading income. However, on a q/q basis, non-interest income grew significantly by 50% (Q1'16: ₦24.7 billion)
- **Operating Income** grew 11% to ₦130.2 billion in H1 2016 from ₦117.6 billion in the corresponding period of 2015
- **Profit Before Tax (PBT)** up 28% to ₦50.0 billion in the period from ₦39.1 billion in H1 2015
- **Profit After Tax (PAT)** of ₦39.4 billion, up 26% in H1 2016 compared to ₦31.3 billion in H1 2015
- **Return on Average Equity (ROAE)** of 19.8% in H1 2016 (H1 2015: 21.6%)

Balance Sheet

- **Loans and Advances** totaled ₦1.82 trillion in H1 2016, up 29%, from ₦1.41 trillion in December 2015, with the devaluation accounting for 16% of loan growth in the period. Core loan growth was 4.5%, which is in line with our guidance for the year
- **Total Assets** of ₦3.27 trillion, up 26% compared to ₦2.59 trillion in December 2015
- **Customer Deposits** grew 17% to ₦1.97 trillion from ₦1.68 trillion in December 2015
- Stable capital position as **Capital Adequacy Ratio (CAR)** stood at 19.6% as at June 2016, well above the regulatory minimum

Asset Quality

- Asset quality was steady in the first half of 2016 as the percentage of **non-performing loans to total gross loans** stood at 1.9%, a 20bps increase from 1.7% as at December 2015
- **Coverage Ratio** (with regulatory risk reserve) stood at 184.0% in the period, from 216.4% as at December 2015
- **Impairment Charges** of ₦10.2 billion, up 15% from ₦8.9 billion in H1 2015. **Cost of Risk** improved by 10bps to 1.1% in H1 2016 from 1.2% in H1 2015

Operational Efficiency

- **Net Interest Margin (NIM)** up 80bps y/y to 6.4% in H1 2016 (H1 2015: 5.6%)
- Improvement in **Cost of Funds** (+170bps y/y) to 3.6% in the period from 5.3% in H1 2015
- Strong income growth and improved cost controls accounted for the reduction in **Cost to Income Ratio (CIR)** by 550bps y/y to 53.7% in H1 2016 (H1 2015: 59.2%)

Financial Highlights

Income Statement <i>(in millions of Naira)</i>	H1 2016	H1 2015	Δ
Gross Earnings	174,012	168,340	3%
Interest Income	112,293	98,862	14%
Net Interest Income	68,451	48,163	42%
Non-Interest Income	61,719	69,478	(11%)
Operating Income	130,170	117,641	11%
Operating Expenses	69,935	69,641	0.4%
Profit Before Tax	50,023	39,113	28%
Profit for the Period	39,487	31,287	26%
Earnings Per Share (k)	161	135	19%
Dividend Per Share (k)	25	25	-
Balance Sheet <i>(in billions of Naira)</i>	Jun. 2016	Dec. 2015	Δ
Loans and Advances	1,816	1,409	29%
Total Assets	3,278	2,591	26%
Customer Deposits	1,970	1,683	17%
Shareholders' Fund	429	368	17%
Key Ratios	H1 2016	H1 2015	Δ
Return on Average Equity (%)	19.8	21.6	↓ 1.8
Return on Average Assets (%)	2.7	2.8	↓ 0.1
Net Interest Margin (%)	6.4	5.6	↑ 0.8
Cost of Funds (%)	3.6	5.3	↓ 1.7
Yield on Assets (%)	10.4	11.9	↓ 1.5
Cost-to-Income Ratio (%)	53.7	59.2	↓ 5.5
Capital Adequacy Ratio (%)	19.6	19.5	↑ 0.1
Liquidity Ratio (%)	35.8	37.1	↓ 1.3
Loan-to-Deposit Ratio (%)	73.1	71.4	↑ 1.7
Non-Performing Loans Ratio (%)	1.9	1.8	↑ 0.1
Cost of Risk (%)	1.1	1.2	↓ 0.1
Coverage (%)	184.0	175.0	↑ 9.0



ABOUT ACCESS BANK

Access Bank Plc. is a full service commercial Bank operating through a network of 353 branches and service outlets located in major centres across Nigeria, Sub Saharan Africa, and the United Kingdom with representative offices in China and the UAE.

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.

Conference Call Invitation

Access Bank Plc. Group Audited Results for the Half Year ended 30 June 2016

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **22 August 2016** at **14.00hrs** Lagos (**9.00hrs** New York, **14.00hrs** London, **15.00hrs** Johannesburg) with its Executive Management to announce the Bank's audited results for the half year ended 30 June 2016. 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 using this link:

<http://services.choruscall.eu/links/accessbankplc160822.html>

Audio Conference

We encourage you to pre-register for the audio conference call via the following link:

<http://goo.gl/TS76e0>

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

Nigeria	+234 1 903 0040
United Kingdom – Toll Free	+44 (0) 808 162 4061
United States of America – Toll Free	+1 855 481 5362

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 digital recording will be hosted on the company's website after the event.

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