

Access Bank Plc. Group Reports Resilient Audited Results for the Full Year ended 31 December 2017

“Our operating performance in 2017 was impacted by the residual effects of macro-economic conditions of 2016, characterised by slow economic expansion and adverse credit conditions, which resulted in making conservative provisions on our loan book.

Despite the macro and regulatory headwinds, our underlying business remained strong as reflected in the gross earnings growth of 20% to ₦459bn in 2017. We grew our loan book to position it for improved earnings, whilst driving deposit mobilization from targeted segments to diversify our funding base.

The year 2017 was pivotal for our Bank, as we concluded our 2013-2017 corporate strategic plan. Its successful implementation was hinged on discipline, hard work, and an unwavering commitment to our set objectives. I am particularly excited about the next phase of the Bank’s evolution centred on an integrated global franchise. The execution of the 2018-2022 strategy commences with focus on deepening our retail offerings, underpinned by strong digital and payment solutions. Throughout the next phase, we will continue to invest in technology as we establish a universal payments gateway with an ecosystem of local and international partnerships.

In the coming periods, we will focus on the disciplined implementation of our strategy to drive efficient and operational excellence across all segments, expand revenue and increase profitability, with enhanced focus on risk management practices and a disciplined cost containment structure.”

FINANCIAL REVIEW FOR YEAR ENDED 31 DECEMBER 2017

The asset base of the Bank remained strong and robust with sustained growth of 18% y/y in total assets to ₦4.10trn from ₦3.48trn in December 2016. Maintained healthy growth in customer deposits with 7% y/y increase to ₦2.25trn, from ₦2.09trn in December 2016, and Loans and Advances (+11% y/y) to ₦2.06trn in December 2017, from ₦1.86trn in December 2016.

Gross Earnings increased to a total of ₦459.1bn in FY 2017, a 20% increase y/y (FY 2016: ₦381.3bn), of which interest income and non-interest income comprise 70% and 30% respectively indicating a stable revenue base. Interest Income grew by 29% y/y to ₦319.9bn in FY 2017 from ₦247.2bn in FY 2016 reflecting income growth from core business driven by a higher interest environment, Non-Interest Income was up 4% to ₦139.1bn, in FY 2017 from ₦133.4bn in FY 2016; driven by growth in FX-related gains.

Increase in impairment charges contributed to the decrease in PBT to ₦80.1bn, representing a -11% y/y decline compared to ₦90.3bn in 2016. Impairments were up 57% y/y and 780% q/q due to significant provision of ₦19.1bn taken in Q4’17. Profit After Tax (PAT) fell -13% in FY 2017 to ₦62.0bn from ₦71.4bn in FY 2016 bringing Return on Average Equity (ROAE) to 12.8% in FY 2017, from 17.4% in FY 2016 and Return on Asset to 1.6% from 2.4% in FY 2016. Net Interest Margin (NIM) of 5.8% in FY 2017 from 6.2% in FY 2016, and Cost of Funds (CoF) increased 80bps y/y to 5.1% from 4.3% in

FY 2016 due to high yield environment. Yield on Asset rose to 11.3% by 20bps from 11.1% in FY 2016 and Cost-to-Income Ratio (CIR) stood at 62.1% in FY 2017 (FY 2016: 58.8%).

Prudential ratios remained strong and well above the regulatory limits with Capital Adequacy Ratio (CAR) at 22.5% (FY 2016: 21.1%). Liquidity ratio of 47.3% providing adequate buffers and headroom for growth. Non-performing loan ratio of 4.8%, an increase from 2.1% reflecting the impact of the macro on asset quality.

Operational Highlights

- Successfully concluded the 2013-2017 strategy, unveiled the new five-year rolling strategy spanning 2018 – 2022 aimed to position the Bank as "Africa's Gateway to the World" in addition to its vision of being the world's most respected African bank.
- **Awards and Recognition:**
 - CBN Sustainability Awards 2017:
 - Sustainable Bank of the Year
 - Sustainable Transaction of the Year (Oil and Gas Sector)
 - Sustainable Transaction of the Year (Agriculture)
 - Excellence in Women Economic Empowerment
 - World Finance Awards 2017:
 - Most Sustainable Bank, Nigeria
 - Best Corporate Governance, Nigeria
 - Karlsruhe Sustainable Finance Awards, 2017:
 - Outstanding Business Sustainability Achievement Award
- Retirements during the year: Ojini Olaghere retired as Executive Director, IT & Operations, and Obinna Nwosu resigned as the Group Deputy Managing Director.
- Appointments during the year: Roosevelt Ogbonna was appointed Group Deputy Managing Director, Hadiza Ambursa was appointed Executive Director, Commercial Banking and Gregory Jobome appointed as the Executive Director, Risk
- The Group received a national scale rating upgrade to AA- (previously rated A+) from Augusto and Co.
- Redeemed \$245.01 million outstanding principal and final coupon on the 5-year \$350 million Eurobond

Group Financial Highlights

Income Statement

In ₦'mn (unless stated otherwise)	2017	2016	Δ
Gross Earnings	459,076	381,321	20%
Interest Income	319,854	247,287	29%
Net Interest Income	163,452	139,148	17%
Non-Interest Income	139,144	133,457	4%
Operating Income	302,596	272,605	11%
Operating Expenses	188,057	160,313	17%
Profit before Tax	80,072	90,339	(11%)
Profit for the Period	62,048	71,439	(13%)
Earnings per Share (k)	218	250	(13%)
Dividend per Share (k)	65	65	0%

Balance Sheet

In ₦'bn (unless stated otherwise)	Dec. 2017	Dec. 2016	Δ
Loans and Advances	2,064	1,855	11%
Total Assets	4,102	3,484	18%
Customer Deposits	2,245	2,089	7%
Shareholders' Fund	515	454	13%

Key Ratios

In (%)	2017	2016	Δ
Return on Average Equity	12.8	17.4	(4.6)
Return on Average Assets	1.6	2.4	(0.7)
Net Interest Margin	5.8	6.2	(0.5)
Cost of Funds	5.1	4.3	0.7
Yield on Assets	11.3	11.1	0.2
Cost-to-Income Ratio	62.1	58.8	3.3
Capital Adequacy Ratio	22.5	21.1	1.4
Liquidity Ratio	47.3	43.6	3.7
Loan-to-Deposit Ratio	68.7	72.6	(3.9)
Non-Performing Loans Ratio	4.8	2.1	2.7
Cost of Risk	1.7	1.3	0.5
Coverage	106	169	(63)

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Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **26 March 2018** at **14:00hrs** Lagos (**09:00hrs** New York, **13:00hrs** London, **15:00hrs** Johannesburg)

Click to access the [webcast](#) made available on the IR portal of the Bank's website

Audio Conference

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

Nigeria	+234 1 903 0040
South Africa	+27 10 201 6800
United Kingdom – Toll Free	+44 333 300 1418
United States of America – Toll Free	+1 508 924 4326

ABOUT ACCESS BANK

Access Bank is a full service commercial bank operating through branches and service outlets located in major centres primarily across Nigeria and sub-Saharan Africa, as well as the United Kingdom (extension to United Arab Emirates (Dubai)), with representative offices in China, Lebanon, and India. The Group provides a wide range of banking and other financial services to over 10 million customers from [397] branches and service centres.

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.

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.