

Access Bank Plc. Group Unaudited Results for the Nine Months ended 30 September 2018

“The Group recorded top line earnings of ₦375bn, up 3% from the corresponding period in 2017, whilst profit after tax also grew by 12% to ₦63bn, of which subsidiary contribution increased to 32%, from 15% from the corresponding period.

We also recorded strong growth of 12% in transaction banking income to ₦43bn in the period from ₦38bn in 9M’17, as we continued to penetrate and deepen our market presence in the retail space.

We maintained stable asset quality, recording NPL and cost of risk ratios of 4.7% and 0.5%, respectively. Our capital and liquidity position remained above regulatory levels, as we continued to implement a disciplined capital plan, ensuring sufficient levels of profit retention to support our growth.

We remain committed to our cost containment plan, as we strive to balance operational efficiency with earnings growth in a constrained environment.

The Bank will remain resilient in the achievement of its strategic imperatives; maximizing our strong market position and solid capital base, while leveraging digital innovation to improve service touch points as we sharpen our retail play with emphasis on cheaper funding sources.”

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE HALF YEAR ENDED 30 SEPTEMBER 2018

Gross Earnings rose 3% to ₦375.2bn in 9M 2018, (9M 2017: ₦365.1bn), with interest and non-interest income contributing 73% and 27% respectively. Interest Income grew by 12% y/y to ₦274.5bn in 9M 2018 from ₦245.9bn in 9M 2017. Non-Interest Income of ₦100.4bn (-16% y/y) in 9M 2018 from ₦118.8bn in 9M 2017. Profit before Tax (PBT) for the period was ₦70.3bn (-4%; 9M’17 ₦72.9bn) while Profit after Tax (PAT) increased 12% to ₦62.9bn from ₦56.4bn in 9M 2017. Return on Average Equity (ROAE) of 17.0% and Return on Asset of 1.9% in 9M 2018.

The asset base of the Bank remained strong and robust with growth of 11% YTD in total assets to ₦4.55trn in September 2018 from ₦4.10trn in December 2017. Loans and Advances totaled ₦2.08trn as at September 2018 (December 2017: ₦2.06trn). Customer deposits increased by 10% to ₦2.48trn in September 2018, from ₦2.25trn in December 2017. Capital Adequacy of 20.3% and liquidity ratios of 44.2%, remained consistently above the regulatory minimum requirement.

Non-performing loans stood at 4.7% as at September 2018 (December 2017: 4.8%). Cost of risk decreased to 0.5% in 9M 2018 from 0.9% in 9M 2017 on the back of prudent risk management practices during the period.

Net Interest Margin (NIM) of 5.3% in 9M 2018 from 6.4% in 9M 2017, while Cost of Funds (CoF) decreased 20bps y/y to 5.6% from 5.8% in 9M 2017. Yield on Asset of 11.9%, down 100bps from 12.9% in 9M 2017 and Cost-to-Income Ratio (CIR) stood at 64.8% in 9M 2018 (9M 2017: 64.3%).

Group Financial Highlights

Income Statement

In ₹mn (unless stated otherwise)	9M 2018	9M 2017	Δ
Gross Earnings	375,230	365,055	3%
Interest Income	274,497	245,873	12%
Net Interest Income	122,950	121,473	1%
Non-Interest Income	100,394	118,815	(16%)
Operating Income	223,344	240,288	(7%)
Operating Expenses	144,723	154,554	(6%)
Impairment charges	8,353	12,824	(35%)
Profit before Tax	70,268	72,910	(4%)
Profit for the Period	62,911	56,396	12%
Earnings per Share (k)	218	197	11%

Balance Sheet

In ₹bn (unless stated otherwise)	Sep. 2018	Dec. 2017	Δ
Loans and Advances	2,083	2,064	1%
Total Assets	4,553	4,102	11%
Customer Deposits	2,475	2,245	10%
Shareholders' Fund	473	515	(8%)

Key Ratios

In (%)	9M 2018	9M 2017	Δ
Return on Average Equity	17.0	15.7	(1.3)
Return on Average Assets	1.9	2.1	(0.2)
Net Interest Margin	5.3	6.4	(1.1)
Cost-to-Income Ratio	64.8	64.3	0.5
Capital Adequacy Ratio	20.3	20.5	(0.2)
Liquidity Ratio	44.2	46.0	(1.8)
Loan-to-Deposit Ratio	57.6	72.8	(15.2)
Non-Performing Loans Ratio	4.7	2.5	2.2
Cost of Risk	0.5	0.9	(0.4)



For further information please contact:

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Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **29 October 2018** at **14:00hrs** Lagos (**09:00hrs** New York, **14:00hrs** London, **15:00hrs** Johannesburg).

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

Audio Conference

Please click on this [Registration link](#) to pre-register for the call and receive dial-in information.

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

Nigeria	+234 1 903 0040
South Africa	+27 10 201 6700
United Kingdom – Toll Free	+44 333 300 1417
United States of America – Toll Free	+1 508 924 4325

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 9 million customers from 392 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.