

Access Bank Plc. Group Audited Results for the Full Year ended 31 December 2018

“2018 marked a significant year of progress for the Bank amidst an unfavourable macro climate. The fundamental strength of our group was evident in the results as group earnings showed a 15% increase to ₦528.7bn from the prior year, whilst Profit before Tax grew to ₦103.2bn by 32%. The contribution of the Bank’s subsidiaries to Group profits grew 116% to ₦27.9bn, underlined by the effective implementation of our strategies.

As a testament of our robust risk management practices, we maintained stable asset quality, with NPL and cost of risk ratios of 2.5% and 0.7% respectively. Our capital and liquidity position remained above regulatory levels, further demonstrating the capacity of our balance sheet to cope with economic realities.

In pursuit of our vision to be one of the leading Banks in Nigeria, we took accelerated strides in the last quarter of the year towards achieving our overall retail strategy. The merger with Diamond Bank will enable us to fully entrench ourselves in the retail market with a view to lowering our funding cost. This transaction is anticipated to be completed by April 2019, resulting in the creation of an enlarged, efficient and digitally led tier 1 retail banking franchise.

We made solid progress throughout 2018 in line with our 2018-2022 five year strategy, and we remain committed to the achievement of our strategic imperatives going forward; as we continue to invest in our people and technology in order to improve operational efficiency and service touch points with earnings growth in 2019.”

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2018

Gross Earnings rose 15% to ₦528.7bn in FY 2018, (FY 2017: ₦459.1bn), with interest and non-interest income contributing 72% and 26% respectively. Interest Income grew by 19% y/y to ₦380.9bn in FY 2018 from ₦319.9bn in FY 2017. Non-Interest Income of ₦138.2bn (5% y/y) in FY 2018 from ₦132.0bn in FY 2017. Profit before Tax (PBT) for the period was ₦103.2bn (+32%; FY’17 ₦78.2bn) while Profit after Tax (PAT) increased 58% to ₦95.0bn from ₦60.1bn in FY 2017. Return on Average Equity (ROAE) stood at 19.0% with a Return on Asset of 2.1% in FY 2018.

The asset base of the Bank remained strong and diversified with growth of 21% YTD in total assets to ₦4.95trn in December 2018 from ₦4.10trn in December 2017. Loans and Advances totaled ₦2.14trn as at December 2018 (December 2017: ₦2.06trn). Customer deposits increased by 14% to ₦2.57trn in December 2018, from ₦2.25trn in December 2017.

Capital Adequacy (CAR) remained adequate at 20.8%, taking into consideration the regulatory transitional arrangement of IFRS 9 implementation. On a full impact basis, CAR stood at 19.9%. Similarly, Liquidity ratios of 50.9% (Dec’17: 47.2%), remained well above regulatory requirements.

Non-performing loans (NPL) ratio stood at 2.5% as at December 2018 (December 2017: 4.8%). Cost of risk decreased to 0.7% in FY 2018 from 1.7% in FY 2017 on the back of de-risking measures in the telecoms sector during the period

Net Interest Margin (NIM) of 6.2% in Q4 2018 from 4.9% in Q3 2018, while Cost of Funds (CoF) decreased 10bps q/q to 5.5% from 5.6% in Q3 2018. Yield on Assets of 13.1%, up 170bps from 11.4% in Q3 2018 and Cost-to-Income Ratio (CIR) stood at 62.2% in FY 2018 (FY 2017: 61.9%).

Group Financial Highlights

Income Statement

In ₹mn (unless stated otherwise)	FY 2018	FY 2017	Δ
Gross Earnings	528,745	459,076	15%
Net Interest Income	173,578	163,452	6%
Non-Interest Income	138,229	131,967	5%
Operating Income	311,807	295,418	6%
Operating Expenses	193,962	182,782	6%
Profit before Tax	103,188	78,169	32%
Profit for the Period	94,981	60,087	58%
Earnings per Share (k)	313	218	44%
Dividend per Share (k)	50	65	(23%)

Balance Sheet

In ₹bn (unless stated otherwise)	Dec. 2018	Dec. 2017	Δ
Loans and Advances	2,136	2,064	3%
Total Assets	4,954	4,102	21%
Customer Deposits	2,565	2,245	14%
Shareholders' Fund	491	511	(4%)

Key Ratios

In (%)	FY 2018	FY 2017	Δ
Return on Average Equity	19.0	12.4	6.5
Return on Average Assets	2.1	1.6	0.5
Net Interest Margin	5.3	5.8	(0.5)
Cost-to-Income Ratio	62.2	61.9	0.3
Capital Adequacy Ratio	20.8	20.1	0.7
Liquidity Ratio	50.9	47.2	3.8
Loan-to-Deposit Ratio	54.1	68.7	(14.5)
Non-Performing Loans Ratio	2.5	4.8	(2.3)
Cost of Risk	0.7	1.7	(1.1)



For further information please contact:

Access Bank Plc.

Investor Relations Team investor.relations@accessbankplc.com +234 (1) 236 4365

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **15 March 2019** 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

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 10 million customers from 402 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 fifteen years ranking amongst Africa's top 20 banks by total assets and capital since 2017.

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.

www.accessbankplc.com

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.