

First Post-Merger Combined Group Audited Results for the Half Year ended 30 June 2019

“The group’s inaugural post-merger audited report recorded a strong performance in the first half of the financial year, notwithstanding the slow and untenable macro environment. The results show a sustainable business model coupled with effective execution as we make solid gains towards the achievement of our strategic goals.

The disciplined implementation of our strategies thus ensured we delivered strong topline numbers of ₦324.4bn, a 28% growth from the previous year with a 63%ytd increase in Customer Deposits to ₦4,183bn. Pre-Tax Profits of ₦74.1bn also grew 62%/y, driven largely by a 82%/y increase in Net Interest Income, coupled with a 34%/y decline in Net Expected Credit Loss Charge on the back of strong recoveries in the period.

Our focus on retail gained momentum during the period, as continued investments in our channels platform resulted in a 29% contribution to Gross Fee and Commission Income, up 92% from the corresponding period in 2018. The strong retail contribution demonstrates the effectiveness of our continued drive around low-cost deposits, on the back of a innovative digital platform.

Asset quality improved as guided, to 6.4% on the back of a robust risk management approach. This is expected to trend into the future as we strive to hit and surpass the standard we had built in the industry prior to the merger. Similarly, Liquidity Ratio improved y/y to 49.7%, reflecting deliberate steps to optimise our balance sheet in order to ensure the group’s liquidity position remains robust.

Going into the second half of the year, our focus is on consolidating our retail momentum, driving access to financial inclusion through our various agency initiatives. Additionally, we will remain disciplined in our efforts to deliver enhanced shareholder value, as we continue to realise the synergies from our newly expanded franchise.”

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE HALF YEAR ENDED 30 JUNE 2019

Gross Earnings rose 28%/y/y and 3%/q/q to ₦324.4bn in H1 2019, (H1 2018: ₦253.0bn), with interest and non-interest income contributing 84% and 16% respectively. Interest Income grew by 46% y/y and on a q/q basis to ₦272.9bn in H1 2019 from ₦186.7bn in H1 2018. On the other hand, Non-Interest Income decreased by 22%/y/y to ₦51.5bn in H1 2019 from ₦66.1bn in H1 2018. Profit before Tax (PBT) for the period was ₦74.1bn (+62%; H1 2018 ₦45.8bn) while Profit after Tax (PAT) increased by 59% to ₦63.0bn from ₦39.6bn in H1 2018. Return on Average Equity (ROAE) stood at 23.5% with a Return on Asset (ROA) of 2.2% in the quarter.

The asset base of the Bank remained strong and diversified with growth of 31% YTD in total assets to ₦6.49trn in June 2019 from ₦4.95trn in December 2018. Net Loans and Advances totaled ₦2.85trn as at June 2019 (December 2018: ₦2.14trn), while Customer deposits increased by 63% to ₦4.18trn in June 2019, from ₦2.57trn in December 2018. The balance sheet growth is on the back of the Bank’s drive to increase lending and low cost deposits in the wake of the merger.

Capital Adequacy (CAR) remained adequate at 20.8%, reflecting full impact of the IFRS 9 implementation as risk-weighted assets increased by 12%. Transitional CAR stood at 24.9%. Similarly, Liquidity ratios of 49.7% (June’18: 43.2%), remained well above regulatory requirements.

Non-performing loans (NPL) ratio stood at 6.4% as at June 2019 (December 2018: 2.5%). Cost of risk increased slightly to 0.7% in H1 2019 from 0.6% in H1 2018 due to an increase in impairment charge.

Net Interest Margin (NIM) of 7.6% in H1 2019 from 5.6% in H1 2018, while Cost of Funds (CoF) decreased 100bps y/y to 4.8% from 5.8% in H1 2018. Yield on Assets of 13.4%, up 120bps y/y from 12.2% in H1 2018.

Cost-to-Income Ratio (CIR) stood at 61.0% in H1 2019 (H1 2018: 64.9%).

Group Financial Highlights

Income Statement

In ₹mn (unless stated otherwise)	H1 2019	H1 2018	%Δ
Gross Earnings	324,376	253,024	28
Interest Income	272,897	186,686	46
Net Interest Income	155,146	85,296	82
Non-Interest Income	51,479	66,338	(22)
Operating Income	202,296	151,416	34
Operating Expenses	123,301	98,233	26
Impairment Charges	(4,880)	(7,340)	(34)
Profit before Tax	74,116	45,843	62
Profit for the Period	63,025	39,625	59
Earnings per Share (k)	193	128	51
Dividend per Share (k)	25	25	0

Balance Sheet

In ₹bn (unless stated otherwise)	Jun. 2019	Dec. 2018	%Δ
Loans and Advances	2,853	2,136	34
Total Assets	6,489	4,954	31
Customer Deposits	4,183	2,565	63
Shareholders' Fund	584	491	19

Key Ratios

In (%)	H1 2019	H1 2018	%Δ
Return on Average Equity	23.5	16.3	7.2
Return on Average Assets	2.2	1.9	0.3
Net Interest Margin	7.6	5.6	2.0
Cost-to-Income Ratio	61.0	64.9	(3.9)
Capital Adequacy Ratio	20.8	20.8	0.0
Liquidity Ratio	49.7	43.2	6.5
Loan-to-Deposit Ratio	65.6	73.1	(7.5)
Non-Performing Loans Ratio	6.4	4.7	1.6
Cost of Risk	0.7	0.6	0.1



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Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **09 September 2019** at **1400hrs** Lagos (**0900hrs** New York, **1400hrs** London, **1500hrs** 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 Plc. is a leading full-service commercial Bank operating through a network of more than 660 branches and service outlets, spanning three continents, 12 countries and over 29 million customers. The Bank employs over 28,000 people in its operations in Nigeria and has subsidiaries in Sub-Saharan Africa and the United Kingdom (with a branch in Dubai, UAE) and representative offices in China, Lebanon and India.

Listed on the Nigerian Stock Exchange since 1998, Access Bank is a diversified financial institution which combines a strong retail customer franchise and digital platform with deep corporate banking expertise and proven risk management and capital management capabilities. The Bank serves its various markets through four business segments: Retail, Business, Commercial and Corporate. The Bank has over 900,000 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. Following its merger with Diamond Bank in March 2019, Access Bank has become one of Africa's largest retail banks by retail customer base.

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, helping customers to access more and achieve their dreams.

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