

Access Bank Plc. Group Unaudited Results for the First Quarter ended 31 March 2019

"The group delivered solid earnings underscoring the value potentials of the newly expanded business model. Gross earnings showed a 16% increase to ₦160.1bn from the prior year, comprising strong earnings on Interest income and non interest income of 69% and 31% respectively, whilst Profit before Tax (PBT) grew by 66% to ₦45.1bn

Our capital and liquidity position remained above regulatory levels, with CAR at 19.5% and liquidity ratio of 47.6% further demonstrating the capacity of the enlarged balance sheet to cope with possible negative shocks.

Following the successful completion of the merger with Diamond Bank in March 2019, we have now fully positioned ourselves in the retail market with a view to bringing the power of banking to the doorsteps of millions. We are providing a broader platform to facilitate payments services in Nigeria and across Africa, by harnessing our significantly enhanced digital technology capabilities.

We have made solid progress throughout the first quarter of 2019 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, technology and most importantly, our product offerings to customers.

Our focus is to become the world's most respected African Bank by leveraging on the strength of our retail and wholesale business to provide unrivalled value to our customers.

Herbert Wigwe, GMD/CEO

FINANCIAL REVIEW FOR THE FIRST QUARTER ENDED 31 MARCH 2019

Gross Earnings rose 16% to ₦160.1bn in Q1 2019, (Q1 2018: ₦137.5bn), with interest and non-interest income contributing 69% and 31% respectively. Interest Income grew by 16% y/y to ₦110.8bn in Q1 2019 from ₦95.6bn in Q1 2018. Non-Interest Income grew to ₦49.3bn in Q1 2019 (18% y/y) from ₦41.9bn in Q1 2018. Profit before Tax (PBT) for the period was ₦45.1bn (+66%; Q1 2018 ₦27.2bn) while Profit after Tax (PAT) increased 88% to ₦41.1bn from ₦21.9bn in Q1 2018. Return on Average Equity (ROAE) stood at 30.9% with a Return on Asset (ROA) of 2.9% in quarter.

The asset base of the Bank remained strong and diversified with growth of 30% YTD in total assets to ₦6.43trn in March 2019 from ₦4.95trn in December 2018. Net Loans and Advances totaled ₦2.74trn as at March 2019 (December 2018: ₦2.14trn). Customer deposits increased by 53% to ₦3.92trn in March 2019, from ₦2.57trn in December 2018. The balance sheet growth resulted from the acquired balance sheet.

Capital Adequacy (CAR) remained adequate at 19.5%, reflecting the impact of the merger. Taking into consideration the regulatory transitional arrangement of IFRS 9 implementation, CAR stood at 23.0%. Similarly, Liquidity ratios of 47.6% (Dec'18: 46.30%), remained well above regulatory requirements.



Non-performing loans (NPL) ratio stood at 10.0% as at March 2019 (December 2018: 2.5%). Cost of risk decreased to 0.5% in Q1 2019 from 1.0% in Q1 2018 due to adequacy of provisions taken as at December.

Net Interest Margin (NIM) of 5.6% in Q1 2019 from 5.8% in Q1 2018, while Cost of Funds (CoF) decreased 140bps y/y to 4.4% from 5.8% in Q1 2018. Yield on Assets of 11.0%, down 140bps from 12.4% in Q1 2018.

Cost-to-Income Ratio (CIR) stood at 53.2% in Q1 2019 (Q1 2018: 62.0%).

Group Financial Highlights

Income Statement

In ₦'mn (unless stated otherwise)	Q1 2019	Q1 2018	%Δ
Gross Earnings	160,123	137,535	16
Interest Income	110,777	95,594	16
Net Interest Income	56,838	44,653	27
Non-Interest Income	49,346	41,941	18
Operating Income	103,625	84,656	22
Operating Expenses	55,148	52,459	5
Impairment Charges	(3,375)	(4,961)	(32)
Profit before Tax	45,101	27,236	66
Profit for the Period	41,148	21,913	88
Earnings per Share (k)	139	77	81

Balance Sheet

In ₦'bn (unless stated otherwise)	Mar. 2019	Dec. 2018	%Δ
Loans and Advances	2,741	2,136	28
Total Assets	6.427	4,954	30
Customer Deposits	3,920	2,565	53
Shareholders' Fund	576	491	18

Key Ratios

In (%)	Q1 2019	Q1 2018	%Δ
Return on Average Equity	30.9	18.2	12.7
Return on Average Assets	2.9	3.6	(0.7)
Net Interest Margin	5.6	5.8	(0.1)
Cost-to-Income Ratio	53.2	62.0	(8.7)
Capital Adequacy Ratio	19.1	19.3	(0.2)
Liquidity Ratio	47.6	41.3	6.3
Loan-to-Deposit Ratio	52.8	60.7	(7.8)
Non-Performing Loans Ratio	10.0	4.7	5.3
Cost of Risk	0.5	1.0	(0.5)



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 **17 April 2019 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 Plc. is a leading full-service commercial Bank operating through a network of more than 592 branches and service outlets, spanning three continents, 12 countries and over 29 million customers. The Bank employs 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.

www.accessbankplc.com



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