

Access Bank Plc. Group Reports Resilient Audited Results for the Full Year ended 31 December 2016

LAGOS, NIGERIA – 6 March 2017 – Access Bank Plc., (Bloomberg: **ACCESS NL** / Thomson Reuters: **ACCESS.LG**) (“Access Bank” or the “Bank”), the full service commercial bank with headquarters in Nigeria and with operations across Sub-Saharan Africa, the UK, Asia and the Middle East, announces its audited results for the full year ended 31 December 2016 and proposes a final dividend of 40 kobo per share bringing the total dividend for the year to 65 kobo.

Group Managing Director / Chief Executive Officer’s Review

“Access Bank Plc. reported strong sustainable growth across all four business lines despite a weak and volatile macro-economic backdrop. The full year 2016 results demonstrate the effective execution of our strategy underpinned by a robust risk management framework. With strong business fundamentals, our position in the top tier was further consolidated in the industry.

During the period, the Group posted total revenue of ₦381.3 billion and profit before tax of ₦90.3 billion, accounting for 13% and 20% increase respectively over the same period in 2015. Key drivers of the growth include a 20bps margin expansion on the back of a 32% y/y growth in net interest income of ₦139.1 billion. Non-interest income accounted for 49% of growth in operating income of ₦272.6 billion (FY’15: ₦234.8bn). This was supported by the significant growth in transaction banking income (+65% y/y, 2016: ₦54.8bn), in response to the increased adoption of our channels.

Our robust and proactive risk management practices and focus on high quality corporates ensured that we maintained an NPL ratio of 2.1%; well below the industry average, whilst retaining a healthy balance sheet growth.

Prudential ratios remained strong and well above the regulatory limits with capital adequacy and liquidity ratios of 21.2% and 43.6%, respectively, giving us the necessary headroom for growth.

The successes we recorded within the year would have not been possible without our dedicated staff, committed customers and shareholders who continually share in our vision of becoming the World’s Most Respected African Bank. As a result, the Bank was awarded several prestigious national and international awards throughout the year even at a very inauspicious time in the operating environment.

We remain cautiously optimistic about the macroeconomic environment in 2017, nonetheless, our objective of delivering sustainable shareholder value remains unchanged. We will also continue to maintain our proactive and disciplined risk management practices and leadership in sustainability initiatives, whilst positioning ourselves strategically to take the lead in the markets we play.”

– Herbert Wigwe, GMD/CEO

Financial Performance Review

Revenue and Profitability

- Gross Earnings totaled ₦381.3bn in FY 2016, 13% increase y/y (FY 2015: ₦337.4bn), of which interest income and non-interest income comprise 65% and 35%, respectively
- Interest Income grew by 19% y/y to ₦247.2bn in FY 2016 from ₦207.8bn in FY 2015 reflecting income growth from the core business on the back of a higher interest environment
- Non-Interest Income up 3% to ₦133.4bn, in FY 2016 from ₦129.4bn in FY 2015; driven by growth in transaction banking income on the back of increased adoption of our channels, as well as gains on disposal of an equity investment
- Operating Income increased to ₦272.6bn in FY 2016 – 16% growth y/y compared to ₦234.8bn in the corresponding period of 2015
- Profit Before Tax (PBT) for the period rose to ₦90.3bn, representing a 20% y/y growth compared to ₦75.0bn in 2015
- Profit After Tax (PAT) up 8% in FY 2016 to ₦71.4bn from ₦65.8bn in FY 2015
- Return on Average Equity (ROAE) of 17.4% in FY 2016, from 20.4% in FY 2015

Balance Sheet

- Loans and Advances were up 32% to ₦1.86trn in December 2016, from ₦1.41trn in December 2015
- Customer Deposits up 24% y/y, from ₦1.68trn in December 2015
- Total Assets of ₦3.48trn up 34% y/y from ₦2.59trn in December 2015
- Capital Adequacy Ratio (CAR) improved by 170bps to 21.2%, compared to 19.5% in December 2015

Asset Quality

- Non-performing loan ratio of 2.1%, an increase from 1.7% recorded in December 2015. This reflects the impact of the challenging macro on our loan book. However, our NPLs remain within target
- Coverage Ratio (with regulatory risk reserves) stood at 169.0% as at December 2016 from 279.8% in December 2015
- Cost of Risk stood at 1.2% from 1.0% in FY 2015; Impairment Charges increased to ₦21.9bn from ₦14.2bn in FY 2015, due to the impact of some declining macro variables

Operational Efficiency

- Net Interest Margin (NIM) increased to 6.2% in FY 2016 from 5.9% in FY 2015, as Cost of Funds (CoF) decreased by 90bps y/y to 4.3% from 5.2% in FY 2015
- Cost-to-Income Ratio (CIR) at 58.8% in FY 2016 (FY 2015: 62.0%)

Operational Highlights

- Successfully raised \$300 million senior unsecured notes listed on the Irish Stock Exchange
- Awards and Recognition:
 - Best Bank Transformation in the Euromoney 2016 Awards for Excellence
 - EMEA Finance 2016 African Banker Awards:
 - Best Bank (Nigeria)
 - Corporate Social Responsibility (Pan-Africa)
 - 2016 Business Day Banking Awards:
 - Bank of the Year
 - Outstanding Business Sustainability in the 2016 Karlsruhe Sustainable Finance Awards
 - Bank of the Year, Nigeria in The Banker Awards 2016

Group Financial Highlights

Income Statement (in millions of Naira)	2016	2015	Δ
Gross Earnings	381,321	337,404	13%
Interest Income	247,287	207,803	19%
Net Interest Income	139,148	105,382	32%
Non-Interest Income	133,457	129,450	3%
Operating Income	272,605	234,832	16%
Operating Expenses	160,313	145,569	10%
Profit Before Tax	90,339	75,038	20%
Profit for the Period	71,439	65,869	8%
Earnings Per Share (k)	250	265	(6%)
Dividend Per Share (k)	65	55	18%
Balance Sheet (in billions of Naira)	Dec. 2016	Dec. 2015	Δ
Loans and Advances	1,855	1,409	32%
Total Assets	3,484	2,591	34%
Customer Deposits	2,089	1,683	24%
Shareholders' Fund	454	368	24%
Key Ratios	2016	2015	Δ
Return on Average Equity (%)	17.4	20.4	↓ 3.0
Return on Average Assets (%)	2.4	2.8	↓ 0.4
Net Interest Margin (%)	6.2	5.9	↑ 0.3
Cost of Funds (%)	4.3	5.2	↓ 0.9
Yield on Assets (%)	11.1	11.9	↓ 0.8
Cost-to-Income Ratio (%)	58.8	62.0	↓ 3.2
Capital Adequacy Ratio (%)	21.2	19.5	↑ 1.7
Liquidity Ratio (%)	43.6	38.0	↑ 5.6
Loan-to-Deposit Ratio (%)	74.0	70.9	↑ 3.1
Non-Performing Loans Ratio (%)	2.1	1.7	↑ 0.4
Cost of Risk (%)	1.2	1.0	↑ 0.2
Coverage (%)	169.0	216.4	↓ 47.4

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Conference Call Invitation

Access Bank Plc. Group Audited Results for the Full Year ended 31 December 2016

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **9 March 2016** at **14:00hrs** Lagos (**08:00hrs** New York, **13:00hrs** London, **15:00hrs** Johannesburg) with its Executive Management to announce the Bank's audited results for the full year ended 31 December 2016. There will be an opportunity at the end of the call for Management to take questions from investors and analysts.

Website

The presentation will be made available on the IR portal of the Bank's website prior to the call.

Webcast

You can access the webcast using this link:

<http://services.choruscall.eu/links/accessbankplc170309.html>

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	+44 808 162 4061
United States of America – Toll Free	+1 855 481 5362

Participants should dial in at least five minutes before the start of the presentation. For those who are unable to listen to the live call, a digital recording will be hosted on the company's website after the event.

For further information please contact:

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ABOUT ACCESS BANK

Access Bank Plc. is a full service commercial Bank operating through a network of 371 branches and service outlets located in major centres across Nigeria, Sub Saharan Africa, and the United Kingdom with representative offices in China and the UAE.

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.