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## Group Audited Results for the Full Year ended 31 December 2019 STABILIZED FOR GROWTH

*“Access Bank in 2019 completed the merger and business combination of the erstwhile Diamond Bank making the bank the biggest bank in Nigeria by Total assets and number of customers as well as a significant retail footprint and infrastructure. The business combination allowed us complement our existing strong wholesale business with Diamond’s extremely developed retail business. In October 2019, we achieved full integration of both bank’s operating system, which further stabilized us for growth across all our platforms.*

*Our financial performance in 2019 was significantly influenced by the merger, as we recorded a modest growth in profitability. However we saw a temporary dip in our metrics as we sought to create excess capacity and IT redundancies to ensure that we continue to provide seamless service to our customers throughout the integration period. Having completed this phase, we are now seeing positive and sustainable momentum across all our business lines. Our thrust for 2020 will be to significantly improve our cost of funds, productivity and efficiency of people and resources whilst optimizing our cost.*

*The group recorded a gross earnings of ₦666.7bn (+26%/y/y), and a 12% increase in Profit Before Tax to ₦115.4bn, despite the significant merger cost. A major driver of this growth is the interest income of ₦536.8bn, which grew by 41%/y/y, reflecting our sustainable approach to generating revenue through traditional banking. Loan-to-Funding ratio stood at 66.5%, which is well above the regulatory minimum of 65%. We continue to work down the levels of our NPLs post merger and this has seen NPL ratio decline from 10% at the end of March 2019 to 5.8% in December 2019.*

*The Nigerian economy recorded a slow growth in the past year, however we continue to see sustained growth across our retail channels as we benefit from the enhanced retail base and increased velocity of transactions. Accordingly, our low cost deposits grew by 93% y/y to ₦2.5trn (Dec’18; ₦1.3trn), largely driving down our cost of funds to 5.0% by 50bps y/y.*

*Reflecting the increased adoption of our digital channels, total mobile and internet transactions increased to ₦17.8trn within the period signifying a 629% increase y/y from ₦2.4trn in Dec’18. We intend to carry on the positive momentum from 2019 and invest in digital solutions including Artificial Intelligence and advance analytics. Our resolve is to ensure that our customers have best in speed, service and security*

*We projected merger synergies of ₦153.9bn (cost and revenue) over 3 years. Thus far, we have recorded synergies totalling ₦42.8mn in 9 months, of which ₦28.8mn is recoveries. In 2020, we expect to realise significant cost synergies, which will substantially cut down our cost and boost profitability.*

*Being a Systemically Important Nigerian Bank, we are aware that sustainable returns can only come from a sustainable and resilient business model. As such, our intent to embed resilience at the core of our financing activity is further strengthened, as we journey together to building a Bank that is more than banking.”*

**Herbert Wigwe, GMD/CEO**

## FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2019

**Gross Earnings** rose 26%/y/y to ₦666.7bn in FY 2019, (FY 2018: ₦528.7bn), with interest and non-interest income contributing 81% and 19% respectively. Interest Income grew by 41% to ₦536.8bn in FY 2019 (FY'18: ₦380.9bn), largely driven by the growing efficiency of our enlarged balance sheet.

On the other hand, Non-Interest Income decreased by 12%/y/y to ₦129.8bn in FY 2019 from ₦138.2bn in FY 2018, driven by our strategic intent to grow income sustainably through traditional banking. Profit before Tax (PBT) for the period was ₦115.4bn (+12%; FY 2018 ₦103.2bn) while Profit after Tax (PAT) increased by 3% to ₦97.5bn from ₦95.0bn in FY 2018. Return on Average Equity (ROAE) stood at 17.7% with a Return on Asset (ROA) of 1.6% in the period.

**The asset base of the Bank remained strong and diversified** with growth of 44% YTD in Total Assets to ₦7.15trn in December 2019 from ₦4.95trn in December 2018. Net Loans and Advances totaled ₦3.06trn as at December 2019 (December 2018: ₦2.14trn), while Customer deposits increased by 66% to ₦4.26trn in December 2019, from ₦2.57trn in December 2018. The balance sheet growth is reflective of the Bank's drive to increase lending and low cost deposits.

**Capital Adequacy (CAR)** remained well above regulatory minimum at 20.0%, reflecting the adjusted impact of the IFRS 9 implementation as Risk-Weighted Assets increased by 39%. Full impact Transitional CAR stood at 18.2%. Similarly, Liquidity ratio of 47.0% (December'18: 50.9%) though decreased, remained well above regulatory requirements.

**Non-performing loans (NPL) ratio** stood at 5.8% as at December 2019 (March 2019: 10%).

**Net Interest Margin (NIM)** of 6.6% in FY 2019 from 5.3% in FY 2018, while Cost of Funds (CoF) decreased 50bps y/y to 5.0% from 5.5% in FY 2018. Yield on Assets of 12.8%, up 120bps y/y from 11.6% in FY 2018.

**Cost-to-Income Ratio (CIR)** increased by 300bps y/y to 65.2% in FY 2019 (FY 2018: 62.2%), on the back of the merger costs incurred within the period.

### Group Financial Highlights

#### Income Statement

In ₦'mn (unless stated otherwise)	FY 2019	FY 2018	%Δ
Gross Earnings	666,690	528,745	26↑
Interest Income	536,847	380,915	41↑
Net Interest Income	277,229	173,578	60↑
Non-Interest Income	129,843	147,830	12↓
Operating Income	389,338	311,807	25↑
Operating Expenses	253,770	193,962	31↑
Impairment Charges	20,189	14,657	38↑
Profit before Tax	115,379	103,188	12↑
Profit for the Period	97,510	94,981	3↑
Earnings per Share (k)	300	331	9↓
Dividend per Share (k)	65	50	30↑

## Balance Sheet

In ₦'bn (unless stated otherwise)	Dec. 2019	Dec. 2018	%Δ
Loans and Advances	3,064	2,136	43↑
Total Assets	7,147	4,954	44↑
Customer Deposits	4,256	2,565	66↑
Shareholders' Funds	610	491	24↑

## Key Profitability Ratios

In (%)	FY 2019	FY 2018	%Δ
Net Interest Margin	6.6	5.3	1.3↑
Cost-to-Income Ratio	65.2	62.2	3.0↑

## Key Efficiency Ratios

In (%)	FY 2019	FY 2018	%Δ
Return on Average Equity	17.7	19.0	1.2↓
Return on Average Assets	1.6	2.1	0.5↓

## Key Balance Sheet Ratios

In (%)	FY 2019	FY 2018	%Δ
Capital Adequacy Ratio	20.0	19.9	0.1↑
Liquidity Ratio	47.0	50.9	4.0↓
Loan-to-Funding Ratio (Bank)	62.9	67.2	4.2↓
Non-Performing Loans Ratio	5.8	2.5	3.3↑

## Key Retail Metrics

	FY 2019	FY 2018	%Δ
Retail Loan (₦'bn)	209.8	131.4	60↑
Digital Loan Transaction count (₦'mn)	3.1	1.5	107↑
Digital Loan Transaction Value (₦'bn)	71	31	129↑
Retail Deposit (₦'bn)	2,471	1,278	93↑
Number of Agents	18,607	6,898	170↑
POS Collection Transaction Count (₦'mn)	53	27	96↑
POS Collection Transaction Value (₦'bn)	518	249	108↑
Mobile & Internet Transactions Count (₦'mn)	243	83	193↑
Mobile & Internet Transactions Value (₦'bn)	17,830	2,692	562↑



ATM Transaction Value (₦'mn)	196	112	75↑
ATM Transaction Value (₦'bn)	2,163	1,119	93↑
USSD Transaction Count (₦'mn)	746	48	1,454↑
USSD Transaction Value (₦'bn)	1,034	84	1,131↑
Agency Banking Transaction Count (₦'mn)	19	11	73↑
Agency Banking Transaction Value (₦'bn)	140	68	106↑

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Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **10 March 2020** at **1400hrs** Lagos (**0900hrs** New York, **1300hrs** 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 over 660 branches and service outlets, spanning three continents, 12 countries and over 35 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.

[www.accessbankplc.com](http://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.