

Access Bank Plc. Group Unaudited Results for the first quarter ended 31 March 2017

LAGOS, NIGERIA – 27 April 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 unaudited results for the first quarter ended 31 March 2017.

Group Managing Director / Chief Executive Officer’s Review

“The Group’s first quarter performance in 2017 demonstrates the effective execution of our strategy in a challenging but recovering economy. The Bank posted total revenue of ₦116.0 billion and profit before tax of ₦31.2 billion, driven by solid growth in net interest income of ₦43.0 billion (+23% y/y) and non-interest income of ₦36.4 billion (+47% y/y).

Our statement of financial position at the end of the quarter is reflective of our cautious approach to growth resulting in stable asset quality of 2.2%. The Group’s capital and liquidity ratios of 21.0% and 46.3% respectively, remain in excess of the minimum regulatory requirement, adequate to support our business.

2017 marks the end of our third five-year transformation journey and in the coming months, we will focus our priorities on the delivery of our strategic objectives. We will continue to improve on profitability and shareholder value by maintaining our capital and liquidity positions, assiduously implementing our cost management strategy, and exploiting retail business opportunities using our digital platforms and deepening market share of the wholesale business.”

– Herbert Wigwe, GMD/CEO

Financial Performance Review

Revenue and Profitability

- Gross Earnings rose 44% y/y to ₦116.0 billion as against ₦80.3 billion recorded in Q1’16, with interest income and non-interest income contributing 68% and 31% respectively
- Interest Income grew by 43% y/y to ₦79.3 billion in Q1 2017 from ₦55.4 billion in Q1 2016
- Non-Interest Income of ₦41.4 billion (+67% y/y) compared with ₦24.8 billion in Q1 2016, underlined by strong net gains on the trading portfolio
- Operating Income increased to ₦79.2 billion (+38% y/y) compared with ₦59.3 billion in the corresponding period in 2016
- Profit Before Tax (PBT) for the period rose to ₦31.2 billion, representing a 38% y/y growth when compared to ₦22.6 billion in Q1 2016
- Profit After Tax (PAT) up 34% y/y to ₦26.0 billion in Q1 2017 from ₦19.4 billion in Q1 2016
- Improved profits resulted in higher Return On Average Equity (ROAE) of 22.6% in Q1 2017 from 20.7% in Q1 2016

Balance Sheet

- Loans and Advances totaled ₦1.85 trillion as at March 2017 (December 2016: ₦1.86 trillion)
- Customer Deposits declined marginally by 4% to ₦2.02 trillion in the period, from ₦2.09 trillion in December 2016
- Total Assets stood at ₦3.54 trillion during the period, up 2% from ₦3.48 trillion in December 2016
- Capital Adequacy of 21.0% and Liquidity ratios of 46.3%, remain consistently above the regulatory minimum requirement

Asset Quality

- Non-performing loans to total gross loans stable at 2.2% as at March 2017 (December 2016: 2.1%)
- Coverage Ratio (with regulatory risk reserves) stood at 164.3% as at March 2017 (December 2016: 169.0%)
- Cost of risk increased marginally to 0.7% in Q1 2017 from 0.6% in Q1 2016 on the back of prudent risk management practices during the period

Operational Efficiency

- Cost-to-Income Ratio (CIR) down 140bps to 56.5% in Q1 2017 (Q1 2016: 57.9%) driven by stronger income growth
- Operating Expenses up 30% y/y to ₦44.7 billion (Q1 2016: ₦34.4 billion), however, declined 70bps q/q from ₦45.4 billion in Q4 2016 reflecting the increasing impact of our cost containment measures
- Net Interest Margin (NIM) increased by 150bps q/q to 6.7% from 5.2% in Q4 2016: but declined y/y from 7.1% in Q1 2016. Cost of Funds (CoF) of 5.1% increased from 4.7% in December 2016 and 3.8% in Q1 2016

Operational Highlights during the Quarter

- Obinna Nwosu resigned as the Group Deputy Managing Director of the Bank
- Roosevelt Ogbonna succeeded Obinna Nwosu as the Group Deputy Managing Director
- Gregory Jobome appointed as the Executive Director, Risk

Group Financial Highlights

Income Statement (in millions of Naira)	Q1 2017	Q1 2016	Δ
Gross Earnings	115,941	80,271	44%
Interest Income	79,333	55,437	43%
Net Interest Income	42,737	34,623	23%
Non-Interest Income	36,481	24,736	47%
Operating Income	79,218	59,359	33%
Operating Expenses	44,745	34,378	30%
Profit Before Tax	31,208	22,583	38%
Profit for the Period	26,019	19,419	34%
Earnings Per Share (k)	91	67	36%
Balance Sheet (in billions of Naira)	Mar. 2017	Dec. 2016	Δ
Loans and Advances	1,851	1,855	0%
Total Assets	3,545	3,484	2%
Customer Deposits	2,015	2,089	(4%)
Shareholders' Fund	467	454	3%
Key Ratios	Q1 2017	Q1 2016	Δ
Return on Average Equity (%)	22.6	20.7	↑ 1.9
Return on Average Assets (%)	3.0	2.9	↑ 0.1
Net Interest Margin (%)	6.7	7.1	↓ 0.4
Cost of Funds (%)	5.1	3.7	↑ 1.4
Yield on Assets (%)	12.5	11.4	↑ 1.1
Cost-to-Income Ratio (%)	56.5	57.9	↓ 1.4
Capital Adequacy Ratio (%)	21.0	19.6	↑ 1.4
Liquidity Ratio (%)	46.3	37.6	↑ 8.7
Loan-to-Deposit Ratio (%)	73.4	69.5	↑ 4.0
Non-Performing Loans Ratio (%)	2.2	1.7	↑ 0.5
Cost of Risk (%)	0.7	0.6	↑ 0.1
Coverage (%)	164.3	215.0	↓ 50.7

Conference Call Invitation

Access Bank Plc. Group Unaudited Results for the first quarter ended 31 March 2017

Access Bank Plc. (Bloomberg: Access NL) will be hosting an audio conference call for analysts and investors on **28 April 2017** at **14:00hrs** Lagos (**09:00hrs** New York, **14:00hrs** London, **15:00hrs** Johannesburg) with its Executive Management to discuss the Bank's unaudited results for first quarter ended 31 March 2017 in a question and answer format.

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/accessbankplc170428.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 382 branches and service outlets located in major centres across Nigeria, Sub Saharan Africa, and the United Kingdom with representative offices in China, Lebanon, India 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.