

ACCESS BANK HALF YEAR 2019 RESULT



APT Securities and Funds Limited
(Member of The Nigerian Stock Exchange)

Access Bank reported audited half year result on Friday 6th September. Net Income was reported up approximately 82% year on year. Profit before tax and Profit after tax rose by 62% and 59% respectively, while PBT stood at 74billion naira, PAT was reported at 63billion naira

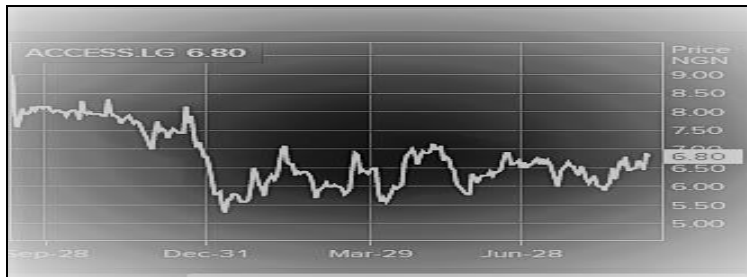
| STATEMENT OF COMPREHENSIVE INCOME | 2019N'000 | 2018N'000 | %CHG |
|-----------------------------------|---------------|---------------|--------|
| GROSS EARNINGS | 324,375,797 | 253,024,189 | 28.20% |
| INTEREST EXPENSE | (117,750,474) | (101,389,962) | 16.14% |
| PBT | 74,115,996 | 45,842,742 | 61.67% |
| PAT | 63,024,694 | 39,625,177 | 59.05% |

| STATEMENT OF FINANCIAL POSITION | 2019N'000 | 2018N'000 | %CHG |
|---------------------------------|---------------|---------------|--------|
| Total Assets | 6,488,604,016 | 4,954,156,938 | 30.97% |
| Total Liabilities | 5,904,813,364 | 4,463,645,183 | 32.29% |
| Total Shareholders' Equity | 583,790,652 | 490,511,755 | 19.02% |

| PER SHARE DATA | 2019N'000 | 2018N'000 | %CHG |
|---------------------------|------------|------------|---------|
| Shares Outstanding ('000) | 32,655,282 | 28,713,896 | 13.73% |
| Current Price (N) | 6.90 | 9.05 | -23.76% |
| EPS(N) | 1.93 | 1.38 | 39.86% |
| DPS(N) INTERIM | 0.25 | 0.25 | 0.00% |
| BVPS | 17.88 | 17.08 | 4.65% |
| P/E | 3.58 | 6.56 | -45.48% |
| P/BV | 0.39 | 0.53 | -27.15% |
| Earnings yield | 27.97% | 15.25% | 83.43% |
| Dividend yield | 3.62% | 2.76% | 31.16% |

SOURCE: COMPANY FINANCIALS, NSE, APT RESEARCH

ONE YEAR PRICE PERFORMANCE



SOURCE: REUTERS

| RATING | BUY |
|------------------|-----------|
| PRICE | 6.80 |
| PRICE TARGET (N) | 11.50 |
| UPSIDE POTENTIAL | 69.12% |
| BLOOMBERG | ACCESS:NL |
| REUTERS | ACCESS.LG |
| 52WKS LOW | 5.20 |
| 52WKS HIGH | 9.05 |

Comments:

- Pre-tax profits rose from N45.8billion naira to N74 billion naira, up by 62%. This is remarkable in contrast to Pre-tax profits reported to have fallen 11.6% from 52billion naira to 45.8billion naira in half year of 2018 before the merger.
- Access Bank also recovered a sum N13.9billion naira from bad debts following the merger with Diamond Bank up from N1.6billion naira a year earlier.
- Access Bank remains the largest bank by Customer deposits, rising from N2.56 trillion naira to N4.1 trillion naira.
- Access Bank generated its Revenue largely from its Corporate & Investment Banking operation segment which stood at 140billion naira, up from 90billion naira in 2018. The closest to this is from its commercial banking segment.

Concerns:

- Access Bank cost is still relatively high with cost to income ratios above 60%.

Supposition:

- It is believed that this cost will be effectively cut down without infringing quality of service and shareholders' value as the merger & acquisition had to come with some cost.

Disclaimer: This report by APT securities and Funds is for information purposes only. While opinions and estimates therein have been carefully prepared, the company and its employees do not guarantee the complete accuracy of the information contained herewith as information was also gathered from various sources believed to be reliable and accurate at the time of this report. We do not take responsibility therefore, for any loss arising from the use of this information.

All Correspondence to APT Securities and Funds Ltd
29, Marina Street (3rd Floor, Church House,), Lagos.
Tel: 234-1-2719242
E-mail: research@aptsecurities.com
website: www.aptsecurities.com



@aptsecurities



Facebook.com/aptsecurities