



Earnings Update: ACCESS BANK PLC

Exciting H1-2021 Result Supported by Robust Revenue Growth

01 September 2021

THINGS WE LIKE ABOUT THE RESULT

1. Growth in Net Interest Income by 58.5% to ₦200.1 billion from the ₦126.2 billion recorded in the corresponding period in 2020.
2. Interest Expense moderated marginally by 70 basis points due to a 10.5% decline in Interest Expense on Deposits from Financial Institutions and an 11.1% decrease in Deposits from Customers.
3. Net Fees and Commissions Income advanced by 44.7%/y/y to ₦58.7 billion from ₦40.6 billion driven by over 100% increase in Commission on Bills and Letters of Credit and Commissions on other Financial Services.
4. Profit Before Tax and Profit After Tax both grew by 31.2% and 42.4% respectively to settle at ₦97.5 billion and ₦86.9 billion (vs ₦74.3 billion and ₦61.0 billion in Q2-2020).
5. Total Assets for the period under review was at ₦10.1 billion 15.8% higher than the figure recorded for 2020 at ₦8.7 billion.

THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Other Operating Income fell by 53.4% to ₦13.8 billion from ₦29.6 billion in Q2-2020 due to a steep decline in Rental Income (-87.4%) and Income from Asset Management (-58.6%).
2. The 20.3%/y/y increase in Personnel Expenses to ₦43.6 billion from ₦36.3 billion in Q2-2020 as a result of increases in Wages and Salaries.
3. Other Operating Expenses climbed to ₦126.1 billion from the ₦120.7 billion recorded in 2020. This can be attributed to the 32.3%/y/y increase in Premises and Equipment Costs to ₦9.2 billion in Q2-2021 compared to the ₦6.9 billion in the second quarter of 2020.

Kindly click [here](#) for the full financial statement.

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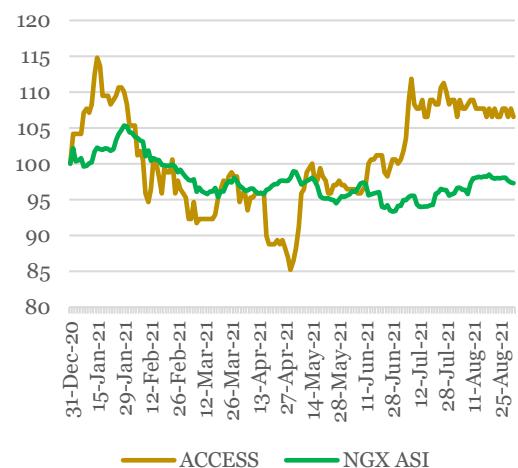
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TICKER	ACCESS
Price (₦) at 01 Sep 2021	9.00
Shares Outstanding	35,545,225,622
P/E	4.80
Entry Price 1 (₦)	9.00
Entry Price 2 (₦)	9.10
Exit Price 1 (₦)	9.45
Exit Price 2 (₦)	9.94
Expected Return 1 (%)	5.00
Expected Return 2 (%)	9.23
Rating	BUY

REMARKS

Strong Earnings backed up by positive technical and high dividend payout.

REBASED PRICE MOVEMENT IN ACCESS & NGX ASI

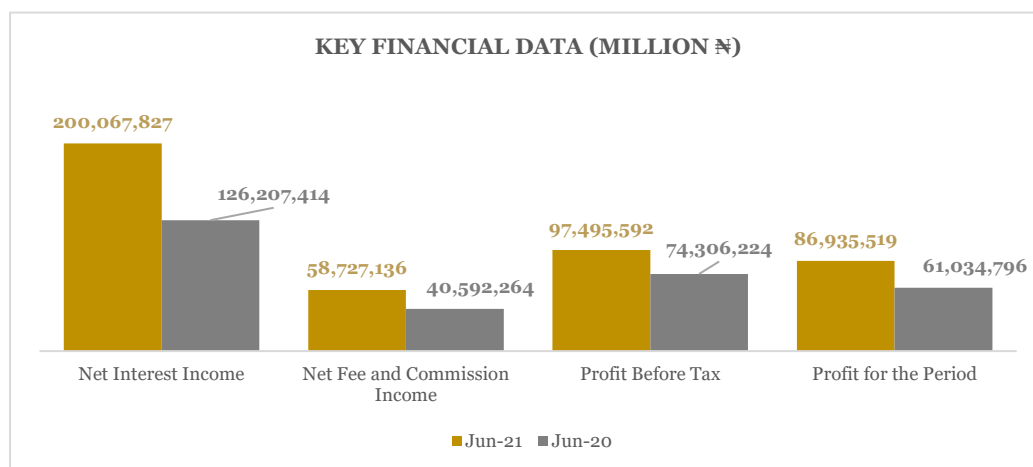


Source: Investing, PSL Research



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INCOME STATEMENT	H1-2021	H1-2020	Change (%)
Interest income calculated using effective interest rate	279,642,750	211,990,533	31.91%
Interest income on financial assets at FVTPL	40,091,259	34,731,987	15.43%
Interest expense	-119,666,182	-120,515,106	-0.70%
Net Interest Income	200,067,827	126,207,414	58.52%
Net impairment charge	-28,669,006	-16,465,691	74.11%
Net interest income after impairment charge	171,398,821	109,741,723	56.18%
Fee and commission income	73,714,813	51,774,914	42.38%
Fee and commission expense	-14,987,677	-11,182,650	34.03%
Net fee and commission income	58,727,136	40,592,264	44.68%
Net (loss)/gains on financial instruments at fair value	-23,254,811	134,840,621	-117.25%
Net foreign exchange gain/(loss)	68,195,022	-66,222,898	-202.98%
Other operating income	13,804,602	29,642,085	-53.43%
Personnel expenses	-43,604,490	-36,251,381	20.28%
Depreciation	-14,062,194	-12,531,309	12.22%
Amortization and impairment	-6,021,877	-4,829,364	24.69%
Other operating expenses	-126,113,891	-120,675,517	4.51%
Profit before tax	97,495,592	74,306,224	31.21%
Income tax	-10,560,073	-13,271,428	-20.43%
BALANCE SHEET	H1-2021	Dec-2020	Change (%)
Cash and balances with banks	1,364,570,882	723,872,820	88.51%
Investment under management	31,611,718	30,451,466	3.81%
Loans and advances to banks	408,021,137	392,821,307	3.87%
Loans and advances to customers	3,582,947,324	3,218,107,027	11.34%
Investment securities	2,039,757,026	1,749,549,145	16.59%
Total assets	10,054,850,250	8,679,747,714	15.84%
Deposits from financial institutions	1,758,573,492	958,397,171	83.49%
Deposits from customers	5,974,755,925	5,587,418,213	6.93%
Total liabilities	9,279,417,223	7,928,706,469	17.04%
Total shareholders' equity	775,433,027	751,041,245	3.25%
Total liabilities and equity	10,054,850,250	8,679,747,714	15.84%
CASH FLOW STATEMENT	H1-2021	H1-2020	Change (%)
Net cash flows generated from operations	874,743,767	-526,400,220	-266.17%
Net cash used in investing activities	-370,463,607	-51,264,287	622.65%
Net cash used in financing activities	-15,721,927	-47,440,555	-66.86%
Cash and cash equivalents at the end of the year	1,341,385,054	612,310,941	119.07%



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