

# Access Holdings Full Year 2022

Financial and Operating Results  
Presentation

April 2023



# Outline

- ❖ Macroeconomic and regulatory update
- ❖ Strategic update
- ❖ Financial and operating results
- ❖ Access Banking Group- Capital & Liquidity Management
- ❖ Forward Looking Guidance



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# A leading global financial institution



## Our Mission

To build and sustain one global platform, open for anyone to join where people can be connected to exceptional opportunities.

## Our Vision

To create a globally connected community and ecosystem; Inspired by Africa, for the World.

## Our Values

- ❖ **Excellence**  
*“Putting in exceptional effort for exceptional results”*
- ❖ **Curiosity**  
*“Never stop questioning”*
- ❖ **Empathy**  
*“Standing in someone else’s shoes and seeing through their eyes”*

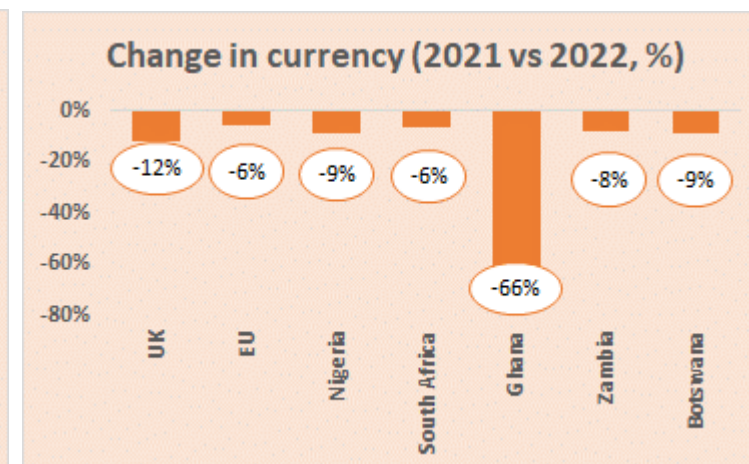
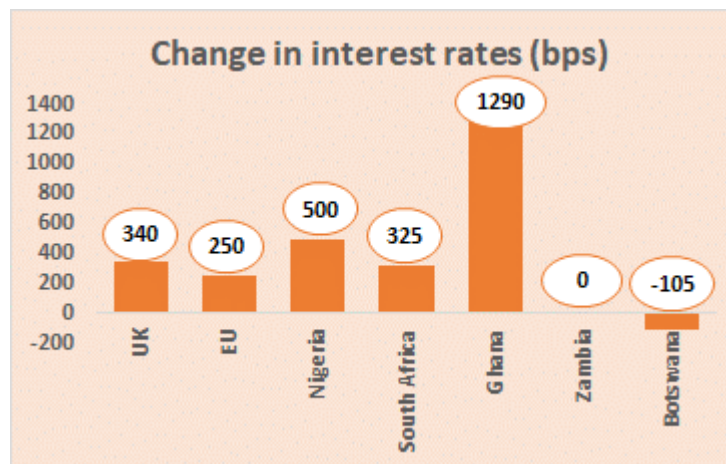
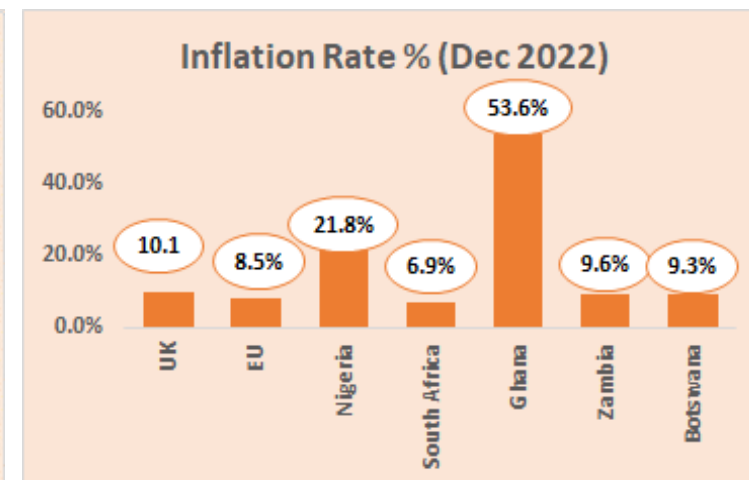
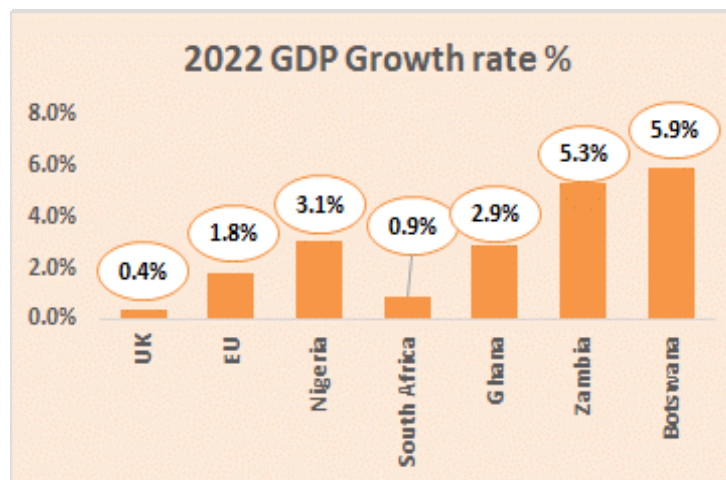
# Macroeconomic & Regulatory update

# 2022 Global Operating Environment

## Global Outlook

- **Global economy on a tight rope** – ongoing global banking crisis (Silicon Valley Bank, Signature Bank, Credit Suisse with a possible trickledown effect on emerging economies including Nigeria.
- Ongoing impact of **Ukraine/Russian war**
- **Knock on effect of supply chain constraints** from China lockdowns
- Crude oil prices rose above **US\$100** for the first time since 2014
- Most central banks **hiked interest rates to combat inflationary pressures** (particularly energy & food)
- Monetary policies' tightening
- **The USD strengthened** against the World's major currencies and the yields on emerging market bonds spiked.
- **Increased risk of recession** across key markets

## Many economies in Sub-Saharan Africa experienced significant headwinds



# Highlights of the Nigerian Domestic Economy in 2022

Like other EMDEs\*, Nigeria was not immune from the impact of the Russia-Ukraine crisis as inflation especially food and energy prices rose. CBN raised interest rates multiple times to slow down accelerating inflation

○ **New government in Nigeria will be faced with four key imperatives** – subsidy removal, debt restructuring, FX rate adjustment and monetary policy adjustments

○ **Real GDP growth rate remained positive** although expanding at a slower pace

○ **Crude oil price stabilized above \$80 per barrel**

○ Marginal drop in foreign reserves but **able to finance more than 7 months of import**

○ **Average 90-day T-Bill rate decreased to 3.94%** in Q4, down from the Q3 rate of 7.29% driven by an increased demand for short-term instruments in the fixed income market.



○ High inflation due to higher food and energy prices but **prices are moderating helped by increase in benchmark interest rate**

○ **Monetary policy tightening to dial back inflationary pressures and reduce negative real interest rates**

○ The official exchange rate recorded modest depreciation of about 8.5% in 2022 due to FX illiquidity

○ Oil production dropped to 0.94mbpd in September 2022 but **ended the year on an upswing, hitting 1.23 mbpd\*** aided by measures introduced to tackle oil theft

○ **Moody's & Fitch Ratings downgraded the sovereign** on concerns around the macro indices with contagion effect on 9 Nigerian Banks, including Access Bank.

# 2022 highlights of the regulatory landscape (Nigeria)

## Banking

- Redesign of the E-Naira by the CBN to control the money supply and aid security agencies in tackling illicit financial flows. The new Naira notes became available to the public from Thursday, December 15, 2022. **Under the policy, the CBN expects to mop up about N2.7 trillion held outside the banking system, out of the N3. 2 trillion in circulation**
- The Monetary Policy Committee of the Central Bank of Nigeria voted to increase the benchmark interest rate (MPR) from 14% to a 20-year high of 16.5%, following the rise of inflation.



## Pensions

- Due to the opening of the transfer window, the competition in the industry has grown significantly as the number of RSA transfers hit a record high in Q2 2022.
- The industry also witnessed some M&A activities in 2022 in it's bid to meet the required minimum **Regulatory Capital of N5 billion**, which was increased from N1 billion by PENCOR, leading to a reduction in the total number of PFAs from 22 to 20. M&A is expected to continue in the Year 2023 as major players look to acquire increased assets under management.



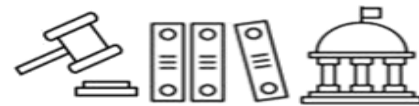
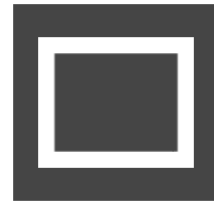
# 2022 highlights of the regulatory landscape (African Subsidiaries)

## Ghana:

- Government of Ghana officially announced in December 2022 of plans to restructure its debt, on local bondholders (of which Ghanaian local banks account for 33% of total government debt, the largest group as at December 2022) have been asked to swap GHS137.3 billion worth of domestic debt for new bonds.
- Parliament passed the e-levy bill in March 2022 at a rate of 1.5%. The levy was expected to raise about GHS6.9 bn. The levy applies to instant payments, mobile money payments, bank transfers and merchant payments.

## Botswana:

- The Bank of Botswana is replacing the old Banking Act with a new one. This is still at initial stages (bill stage). Banking industry is doing its assessment.



## Botswana:

- The Financial Intelligence Agency(FIA) has advised that Botswana will undergo a mutual evaluation by the Financial Action Task Force in 2024. A committee has been set up that includes financial institution and regulators to work on the gaps before the actual evaluation takes place

## Kenya:

- Central Bank of Kenya (CBK) announced the reintroduction of charges for transactions between mobile wallets and bank accounts which was waived in March 2020. This will lead to increased revenues on mobile transactions for Banks.
- Increased CBK surveillance on Digital lenders leading to deregistration of 12 out of 25 small Digital lenders and registration of 5 new Digital lenders. Being a competitive environment, Banks are to ensure adherence to digital lending regulations as prescribed in the Data protection act

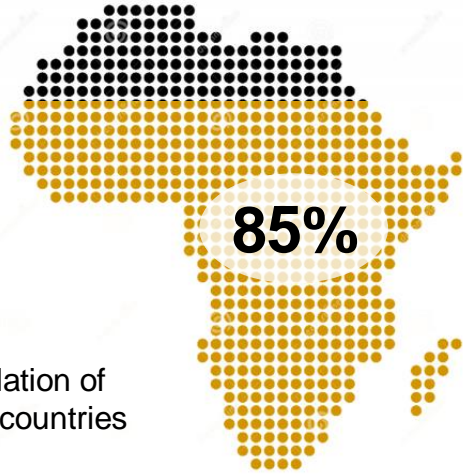
# Strategic update

# Access Corporation's Global network and scale

## Large customer base

**58 Million+**  
customers

More than the population of 85% (50) of African countries



**Superior service through four SBUs, across 17 countries including, the UAE, UK, and 3 rep offices in China, India and Lebanon**



Corporate



Commercial



Business



Retail

### Holdco verticals

- Payments
- Insurance
- Pensions
- Consumer lending

## Growing users on our digital channels



2,894+ ATMs



18.5mn unique mobile app and internet banking users



53,164+ POS



12.5mn + USSD users



633 Branches



46k+ Agents

## Listings

THE Nigerian STOCK EXCHANGE	
(Primary equity listing)	
Irish Stock Exchange	
(\$400m Tier II bond)	
(\$300m Senior bond)	
Moody's	B3
Fitch Ratings	B-
STANDARD & POOR'S	B-
Agusto & Co	AA-

## Consistent financial performance

**₦1,388trn**

Gross Earnings  
(FY '22)

**₦167.7bn**

Profit before tax  
(FY '22)

**13.3%**

ROAE

**19.6%**

CAR

**14.7%**

Tier 1 ratio

## Significant gender diversity

**6,824**

Professional Staff



**53%**



**47%**

## Awards & recognitions

2022 International Investors Award - Best Environmental and Social Performance Award

2022 Finance Derivative Award - Best Sustainable Bank Africa

2022 Euromoney Awards - Best Bank in Nigeria

2022 Global Sustainable Finance Awards - Outstanding Leadership in ESG-Related Loans, Africa

2022 Global Sustainable Finance Awards - Financial Leadership in Sustaining Communities, Africa

2022 Global Brands Magazine Awards – Best Digital Banking Brand



Source: Access Bank Financial Statements

Retail Customers grew by 13mn in the year 2022.

# A conscious & deliberate ESG strategy continues to be at the heart of our business

## Environment

- ▶ **\$50mn** Reg S Step-Up Green Notes due 2027 in the international capital market via a private placement
- ▶ **Responsible waste recycling in 75** office locations, recycling a total of **2,225.987kg** of waste recycled of cans, paper, plastics, and glass
- ▶ **167** offsite locations/branches with ATMs powered by solar
- ▶ **Environmental Audit** of all Branches across Nigeria
- ▶ Developed GHG **emission reduction** strategy for carbon abatement and offset

## Social

- ▶ Championed the **Coalition Against COVID-19 (CACOVID)**
- ▶ **20,500+ children** beneficiaries of a Science Technology, Engineering, Art and Mathematics campaign
- ▶ **Minimum of 1%** of PBT dedicated to Sustainability
- ▶ Reached **6,232,809** lives through community interventions
- ▶ Impacted over **1,288** communities and **257** Non-Governmental Organizations
- ▶ **Employees volunteered 381,733** hours in community projects across Nigeria

## Governance

- ▶ **Launched the implementation Report on the Global Principles** for Responsible Banking
- ▶ **Pioneered sustainability reporting** in the Nigerian Financial Sector
- ▶ First Commercial Bank in Africa certified by **Sustainability Standards and Certification Initiative (SSCI)**
- ▶ **Human Resource & Sustainability** Standalone Board Committee
- ▶ Developed an **ESG Framework**
- ▶ World Finance Award -Best ESG Strategy (11<sup>th</sup> time winner)
- ▶ Board member, **UNGC**

## Certifications and Memberships

First Corporate to issue a Certified Green Bond in SSA<sup>(1)</sup>

1. SSA - Sub-Saharan Africa

# Access has registered successes across its ambition and vision over the past five years (2018 - 2022)

■ Strategic enablers

## Access Bank has worked towards its vision



World's most respected African Bank



#1 in Nigeria  
Top 10 in Africa



Strong Franchise outside of Africa



## By focusing on 6 key strategic priorities

- ✓ **01** Retail banking growth and wholesale bank consolidation
- ✓ **02** Focus on being digitally led
- ✓ **03** Being customer centric and focused
- ✓ **04** Analytics-driven insights and robust risk management
- ✓ **05** Global collaboration
- ✓ **06** Building a universal payments gateway

1. Robust risk management

2. Organizing for growth

3. Flawless execution



## Success Highlights

**Retail banking growth & wholesale bank consolidation:** Retail grew to ~58M customers surpassing the original aspiration of 35M by the end of 2022

**Global collaboration:** Access has attained the credit ratings at the sovereign ceiling and established a network of 13 subsidiaries

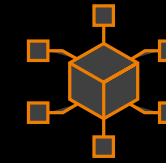
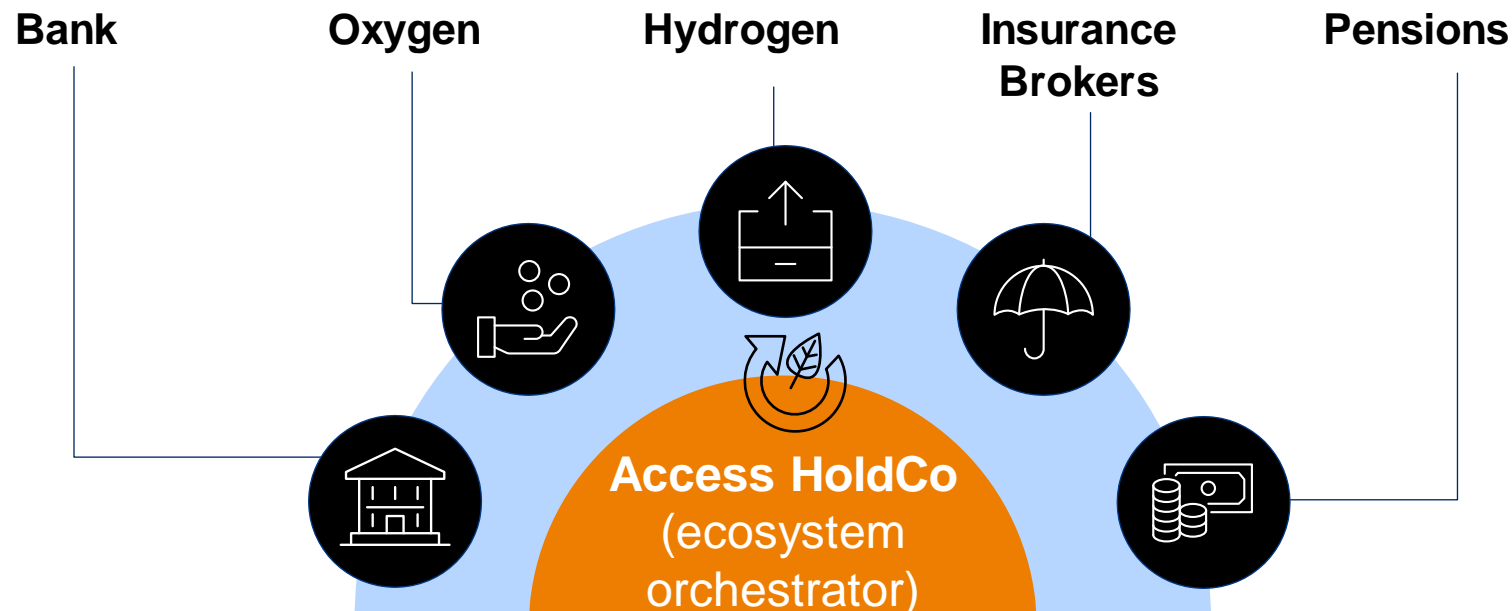
**Building a universal payments gateway:** Access has launched an African payments platform with c.75% growth in revenues between 2020 and 2022

**Robust risk management:** Access Corporation has a strong CAR ratio of 19.6%

# We have reorganized to capture new opportunities by transitioning to a HoldCo structure

**The HoldCo consist of 5 subsidiaries;**

Retail, commercial, corporate banking	Consumer lending & agency banking	Payment & switching services	Insurance brokerage	Asset management and pension fund administration
	Go Live: Q3 2023	Go Live: Q4 2022	Go Live: Q3 2023	Go Live: Q4 2022



## 5 Strategic objectives

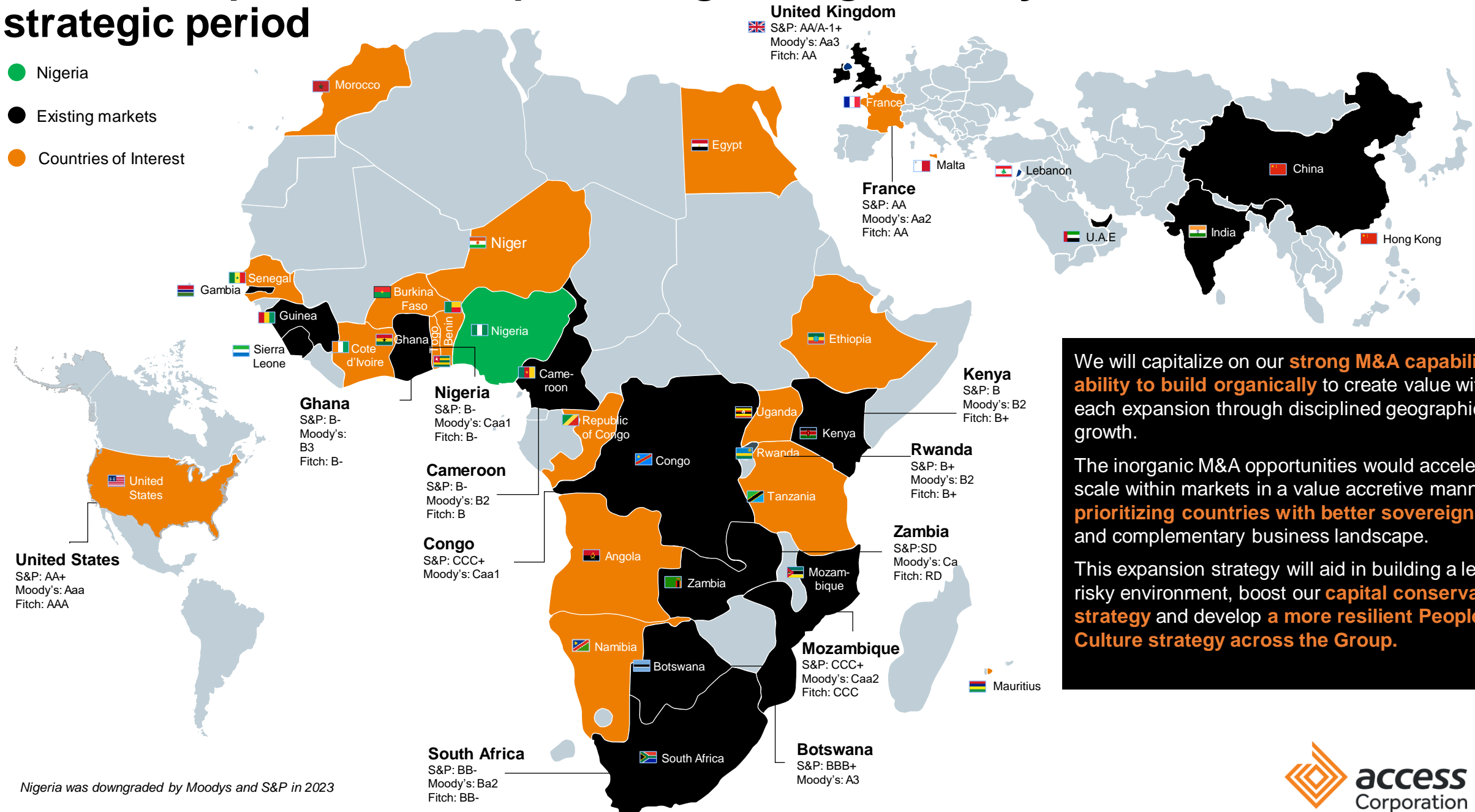
- 1 Value accretion
- 2 Agility and scale leverage
- 3 Best-in-class talent
- 4 Targeted consolidation
- 5 Enhanced risk rating beyond the sovereign

### Creation of Financial Technology play:

- ✓ Creating new market opportunities & changing consumer lifestyle and taste
- ✓ Guarantee customer service & data analytics
- ✓ Creation of new income pools
- ✓ Optimise valuation

# Access Corporation's footprint will grow significantly in the next strategic period

- Nigeria
- Existing markets
- Countries of Interest



We will capitalize on our **strong M&A capability and ability to build organically** to create value with each expansion through disciplined geographic growth.

The inorganic M&A opportunities would accelerate scale within markets in a value accretive manner, **prioritizing countries with better sovereign rating** and complementary business landscape.

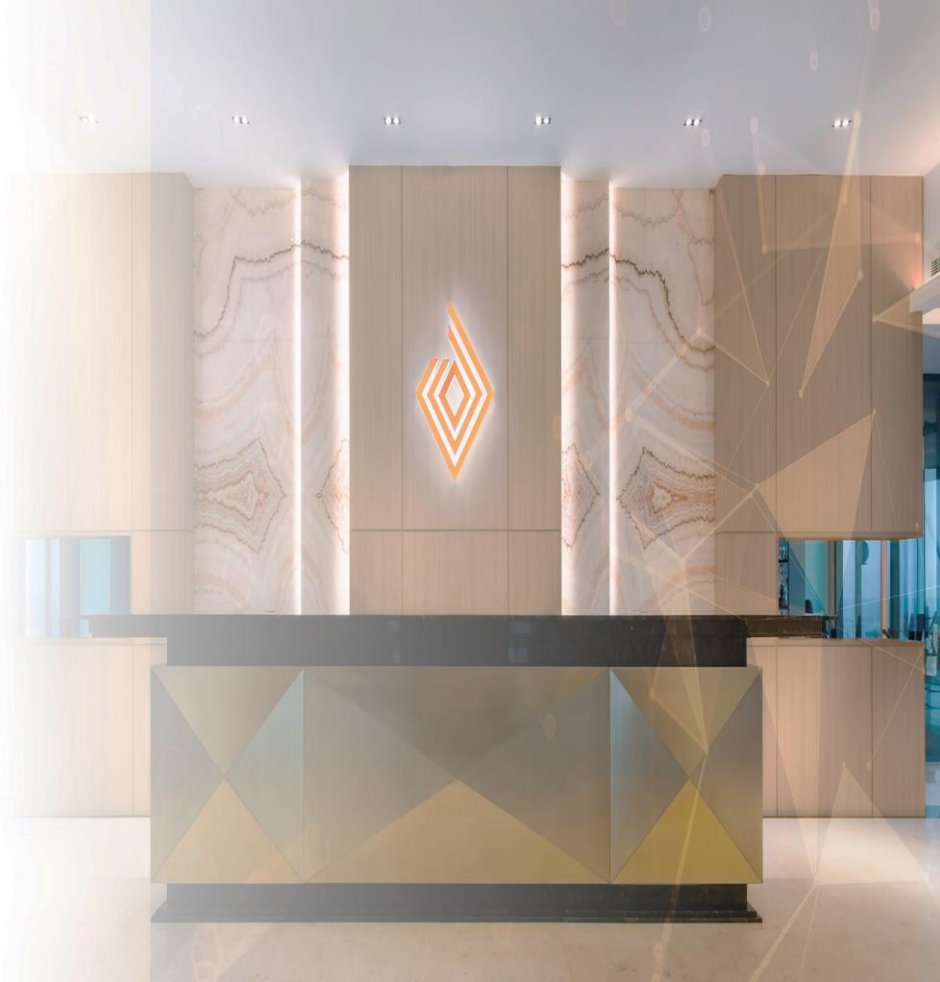
This expansion strategy will aid in building a less risky environment, boost our **capital conservation strategy** and develop **a more resilient People & Culture strategy across the Group.**

*Nigeria was downgraded by Moodys and S&P in 2023*

# Financial and operating results



# FY'2022 – Resilient financial performance, 1<sup>st</sup> financial institution in Nigeria to cross gross revenues of N1trn



**₦302.1b**

Market Cap

**58m+**

Customers

**6,824**

Employees

**17**

Markets

Gross Earnings

**₦1.388trn**

**+42.8% y/y**

Total Assets

**₦15.0trn**

**+27.9% y/y**

Shareholders' Funds

**₦1.2trn**

**+17.3% y/y**

Cost to Income Ratio

**57.9%**

**+0.9% y/y**

Deposit Growth

**₦9.25trn**

**+33% y/y**

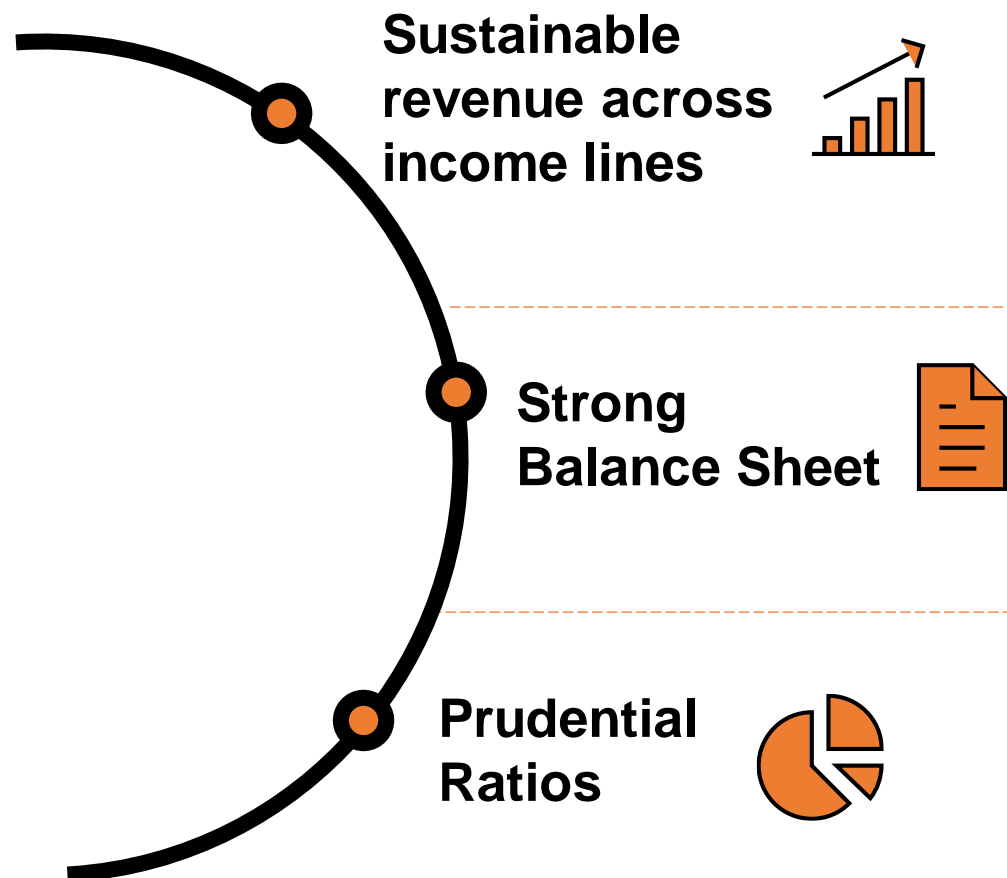
Profit Before Tax

**₦275.1bn** **+55.6% y/y**  
(Pre-Impairment adjs)

**₦167.7bn** **(5.1%) y/y**  
(Post-Impairment adjs)

\*Market Cap calculated as at Dec'30<sup>th</sup> Share price position of ₦ 8.50, March 01<sup>st</sup> share price position of ₦9.60 gives Market Cap of ₦341.2b (Ghana Bond impairment – 103.1bn, Nigeria sovereign downgrade 4.3bn)

# Access Corporation delivered record earnings, with a stronger balance sheet solid and improved efficiency



₦'million	FY 2022	FY 2021	%Δ	
Gross Earnings	1,387,911	971,885	42.8	↑
Net Interest Income	359,431	301,459	19.2	↑
Non-Interest Income	560,646	370,184	51.5	↑
Operating Expenses	(502,359)	(371,066)	35.4	↑
Impairment Charges*	(197,790)	(83,213)	137.7	↑
PBT(Pre - Impairment adjs)	275,080	176,775	55.6	↑
PBT(Post - Impairment adjs)	167,680	176,775	(5.1)	↓

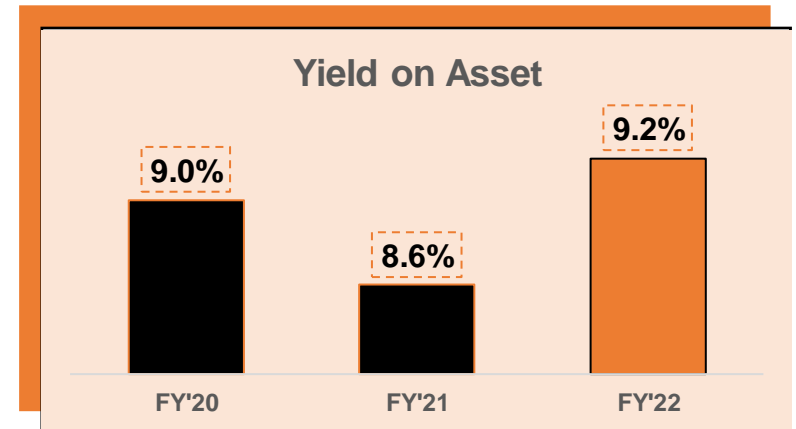
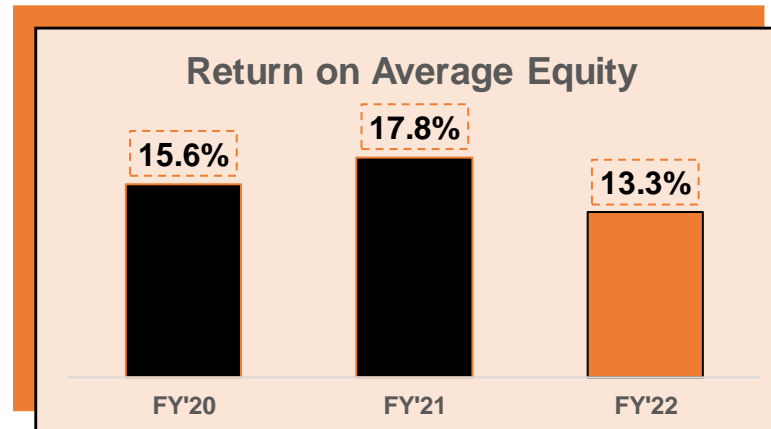
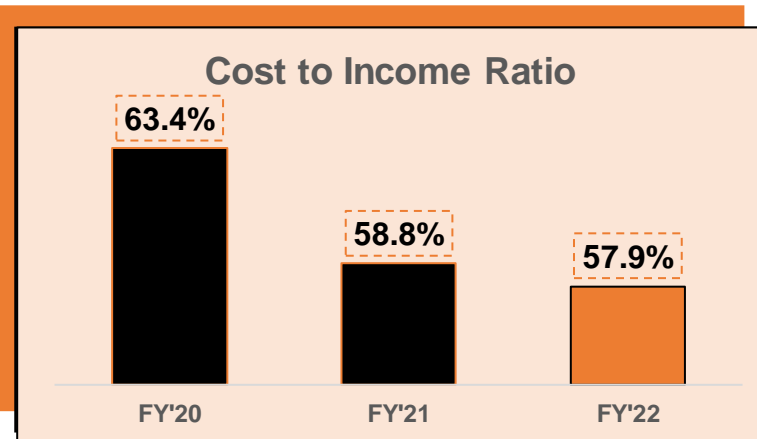
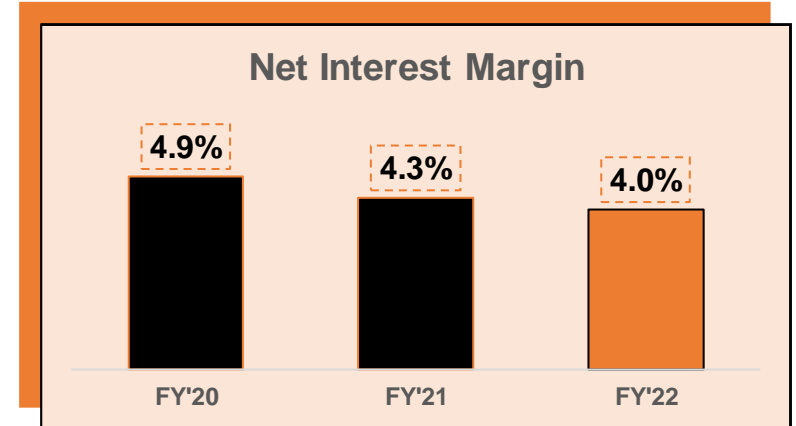
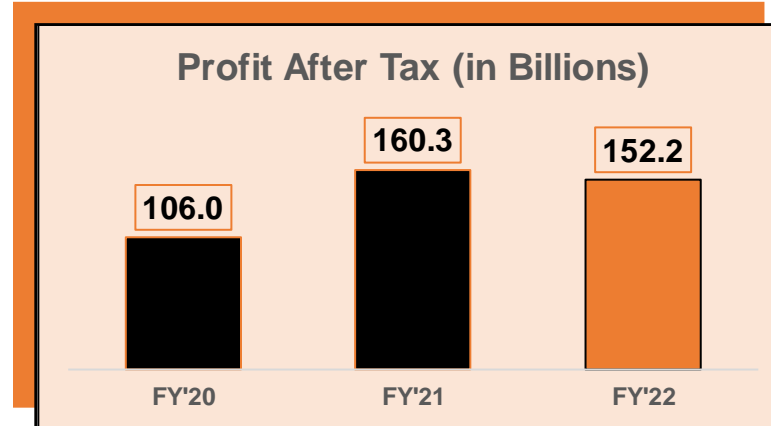
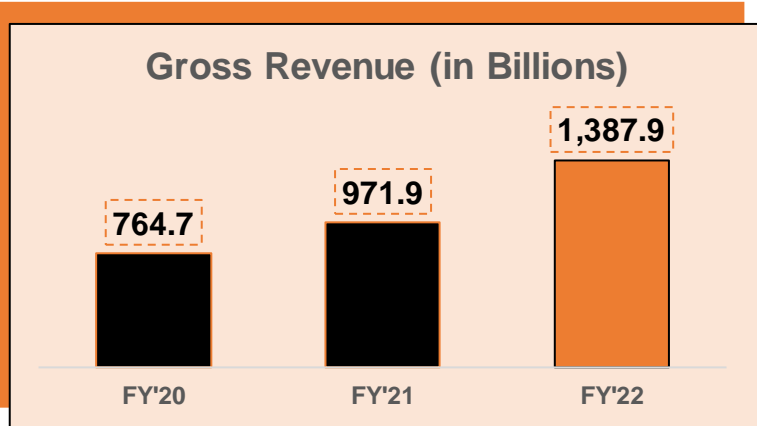
₦'billion	FY 2022	FY 2021	%Δ	
Loans and Advances	5,557	4,446	25.0	↑
Total Assets	15,004	11,732	27.9	↑
Customer Deposits	9,251	6,955	33.0	↑
Shareholders' Funds	1,231	1,050	17.3	↑
Assets Under Management**	896,327	N/A		

Metrics	FY 2022	FY 2021	% Δ	
After-Tax ROAE	13.3%	17.8%	(4.5)	↓
Cost-to-Income	57.9%	58.8%	0.9	↓
Capital Adequacy	19.6%	24.5%	(4.9)	↓
Liquidity	39.5%	50.7%	(11.2)	↓
Loan-to-Funding	58.7%	50.8%	7.9	↑
Cost of Risk (Pre -Impairment adjs)	1.4%	2.0%	0.6	↓
Cost of Risk (Post – Impairment adjs)	2.2%	2.0%	0.2	↑

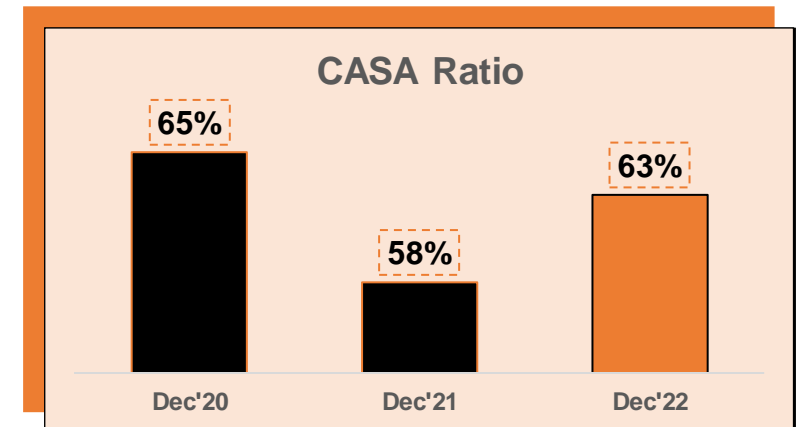
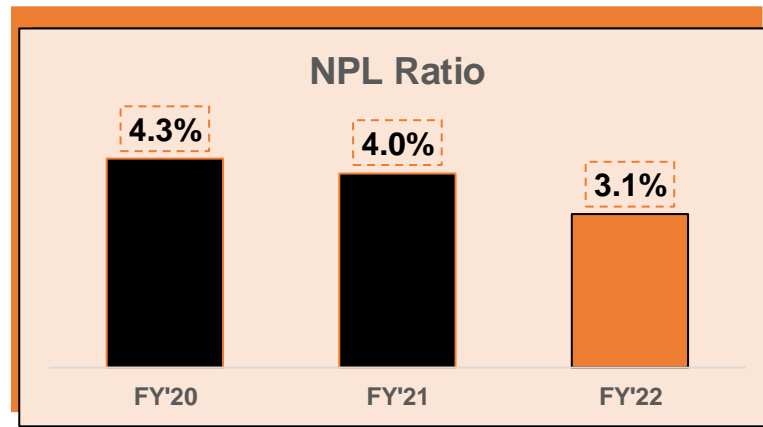
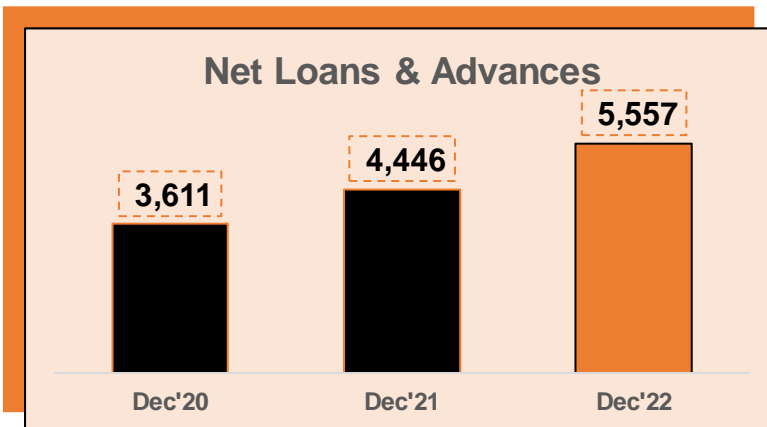
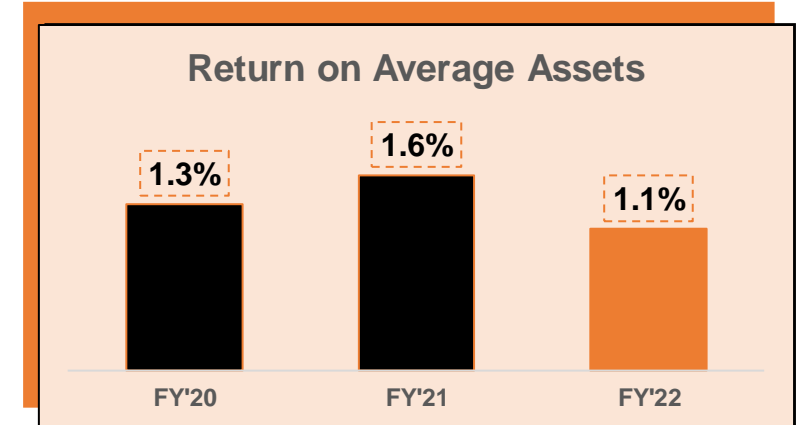
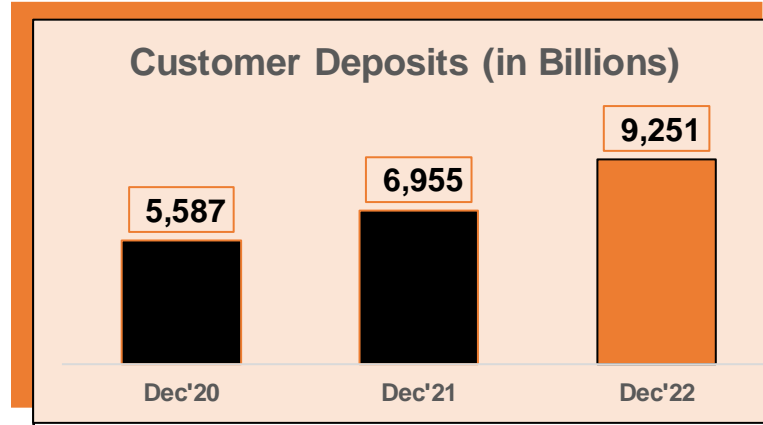
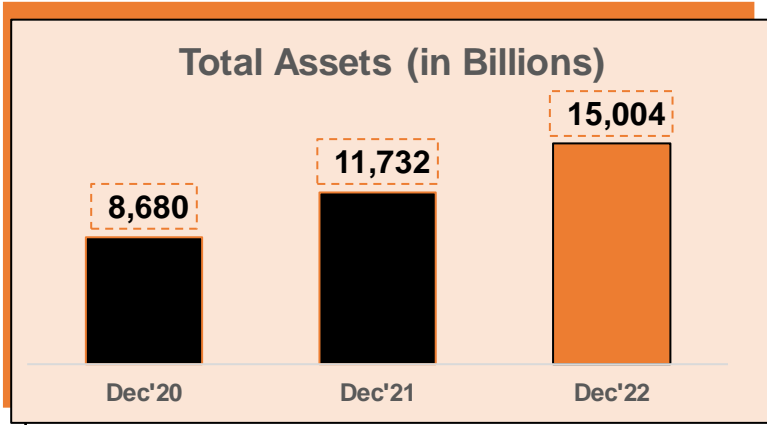
\* Impairment on Ghana Domestic & Eurobonds accounts for N103.1bn of charges, Nigerian sovereign downgrade accounts for N4.3bn

\*\* Access Pensions commenced operations in 2022, 2021 figures are Banking Group figures.

# Key Income Statement Metrics – drivers of shareholder value creation

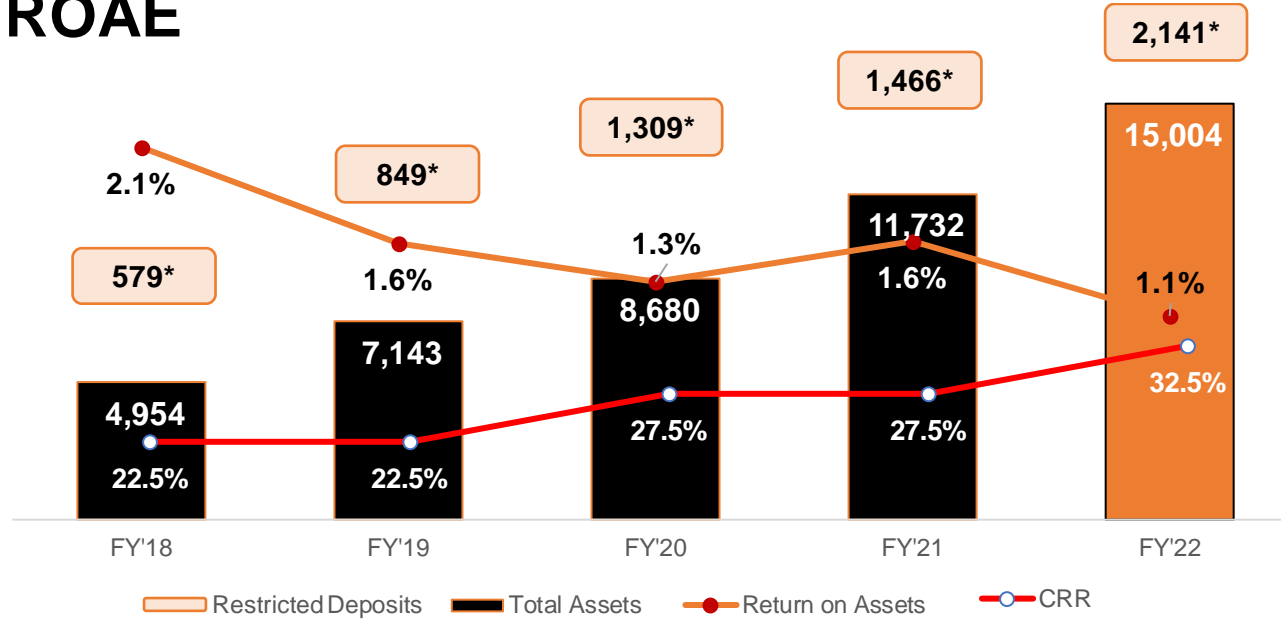


# Key Balance Sheet Metrics – challenging but strong growth across key lines

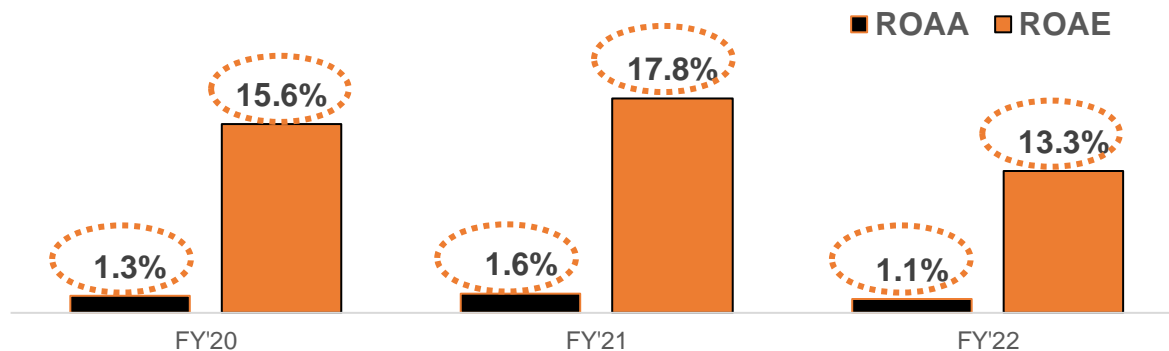


NPL – Non-Performing Loans

# Total Assets – increased margin pressure from higher CRR , downward impact on ROAE



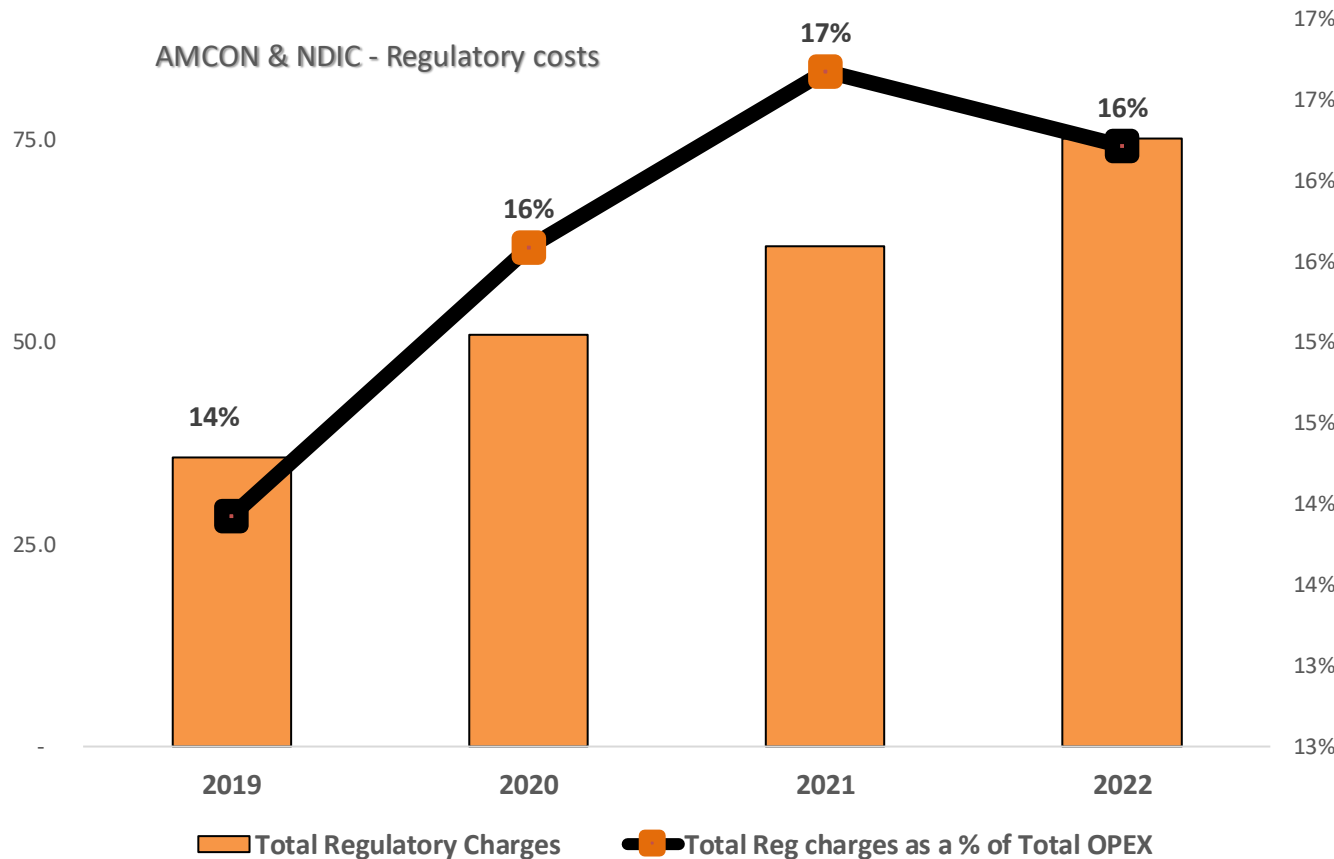
## Returns on Assets and Equity



\* - Refers to Restricted Deposits with Central Bank of Nigeria – non interest bearing assets

- Access Bank restricted deposits with the CBN has grown at a rate of 39% over the past 5 years. This is non-interest generating assets of ₦2.1trn, representing 14% of total assets.
- This significant growth in non-interest bearing assets, in addition to the interest expenses generated from having the largest Retail deposit in the Nigerian market, continues to increase the pressure on Net Interest Margin, despite the healthy growth in overall Net Interest Income.
- Official Cash Reserve Ratio has steadily grown over the past 5 years, rising to 32.5% in Q4 2022 (FY'18:22.5%) This represents ₦675bn y/y increment in restricted deposits in FY' 2022.
- Return on Average Asset & Return on Average Equity stood at 1.1% and 13.3% respectively.

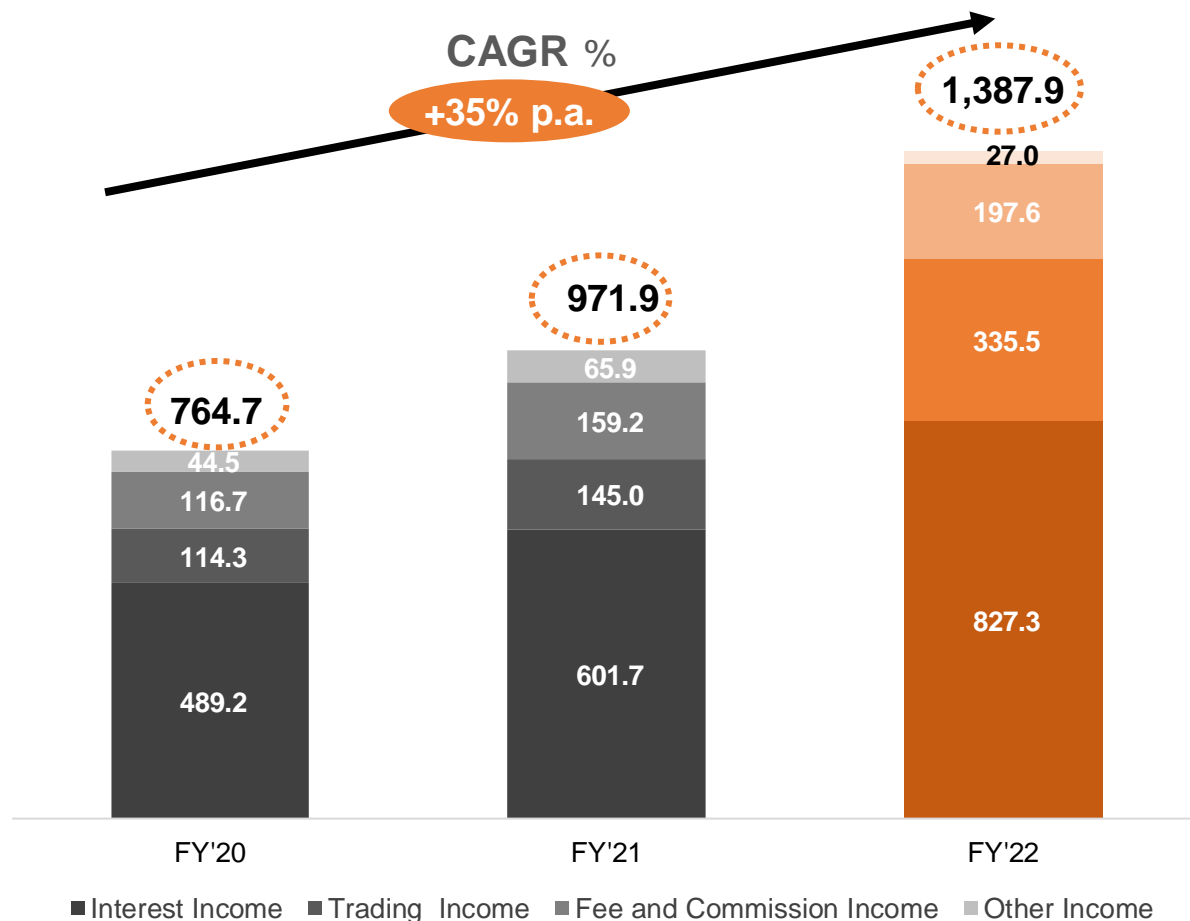
# Regulatory costs – material growth over the years with significant profitability impact



- Access Banking Group has consistently paid the highest regulatory fees out of all the five Tier 1 Banks since 2020. **Regulatory fees CAGR growth of c.18% between 2019 – 2022**
- The regulatory costs includes the AMCON charges and the Deposit Insurance Premium
- **Significant uplift in PBT** is expected, once the AMCON and other regulatory fees are scaled back.

# Diversified growing franchise that has proven resilient during turbulent times

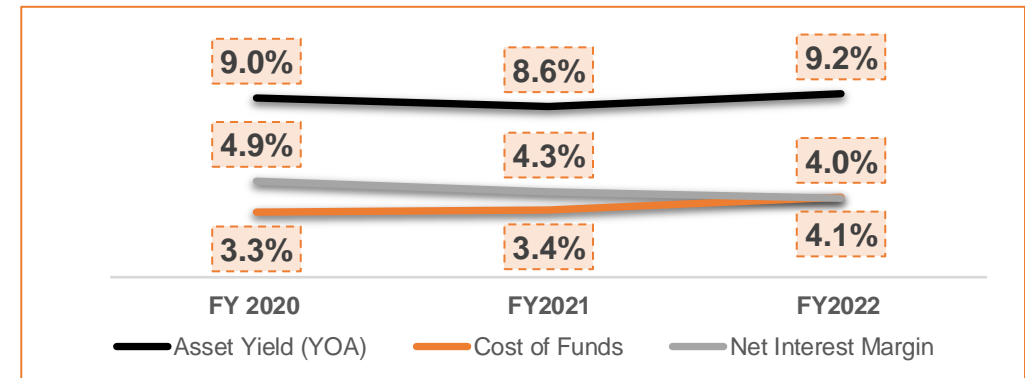
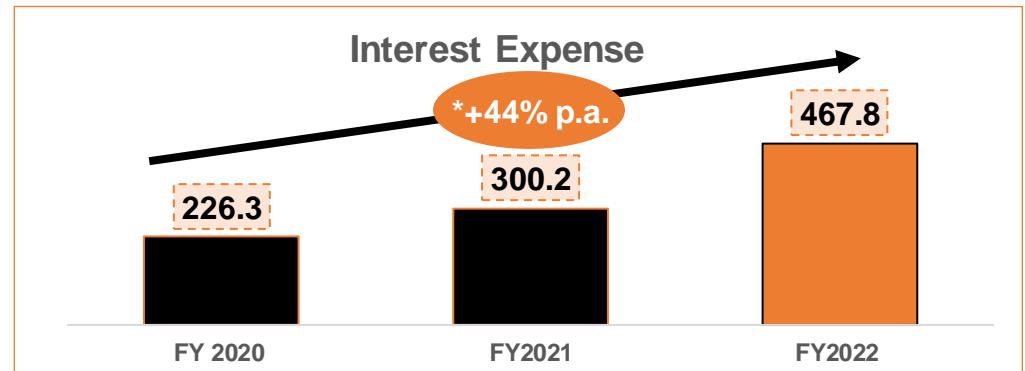
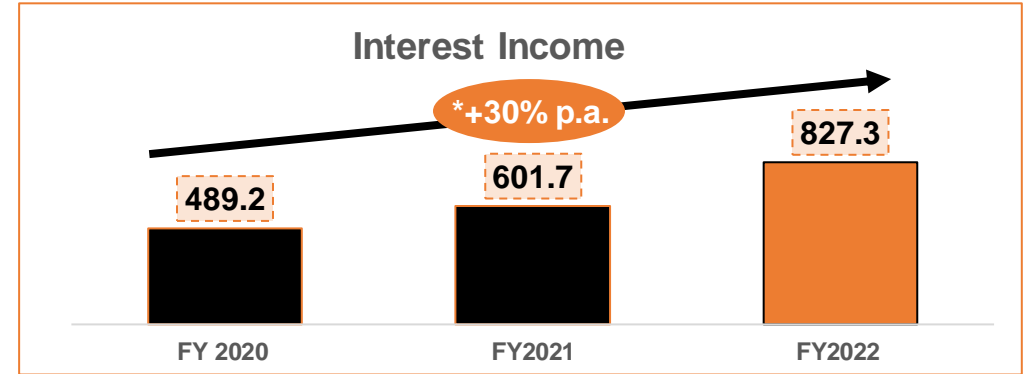
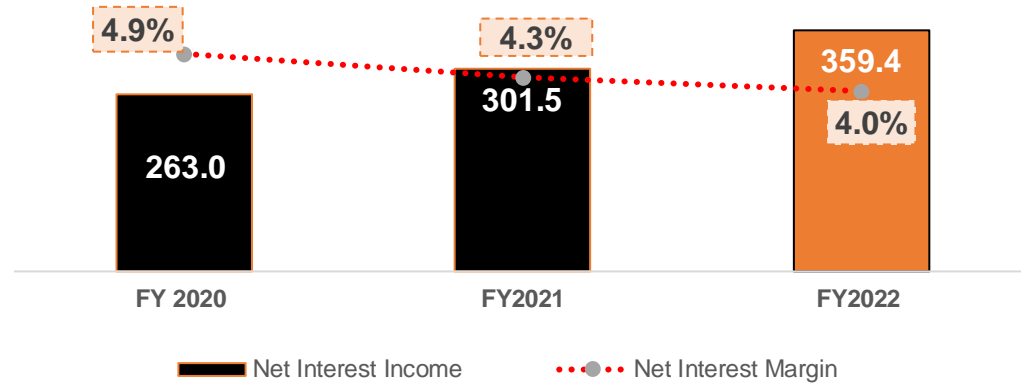
## Gross Revenue (₦'bn)



\*Interest Income figures calculated as an addition of Interest income on financial assets not at FVTPL/not held for trading and Interest income on financial assets at FVTPL/held for trading

- **Gross earnings grew c. 43% y/y to c. ₦1.39trn** in the period (FY'21: ₦971.9bn), comprising c. 60% of interest income and 40% in non-interest income.
- CAGR increase of **+35%** over the past 3 years, which denotes sustained growth and value accretion in the business
- **Interest income drivers (+37% y/y, FY'22: ₦827.3bn):**
  - A **21% y/y** increase in interest on Loans and Advances to **₦481.2bn** (FY'21: ₦399.2bn) despite the high inflationary environment, Increase in interest income was driven by a corresponding y/y growth of **25%** in the loan portfolio.
  - A **64% y/y** increase in Interest Income from Investment Securities to **₦333.8bn** (FY'21: ₦203.7)
- **Non-Interest Income drivers (+53% y/y, FY'22: ₦566bn):**
  - A **131% y/y** growth in trading income to **₦335.5bn** from ₦145bn in FY'21, largely driven by growth in FCY & LCY deposits, for which allocation was done into safe fixed income investments for both private & public sector counterparties.
  - A **24% y/y** increase in Fee & Commission income to **₦197.6bn**, largely driven by increased income from credit related fees and commissions up 107% y/y.

# Improved Net Interest Income from stronger loan growth, higher securities yield, dampened by high Cash Reserve Ratio



## Key NIM & COF Drivers

### Volume Growth

Loans(+25%) growth across all markets  
 Deposits (+33%) growth across all regions  
 Higher growth rate in non -interest bearing assets – driven by the growth of Cash Reserves Ratio over the past 3 years

### Higher Interest Rates

**Higher cost of funds.** Higher interest expenses (minimum interest on savings deposit increased from 10% to 30% of MPR rate) for c.2.2m savings customers from multiple MPR rate increases in 2022.

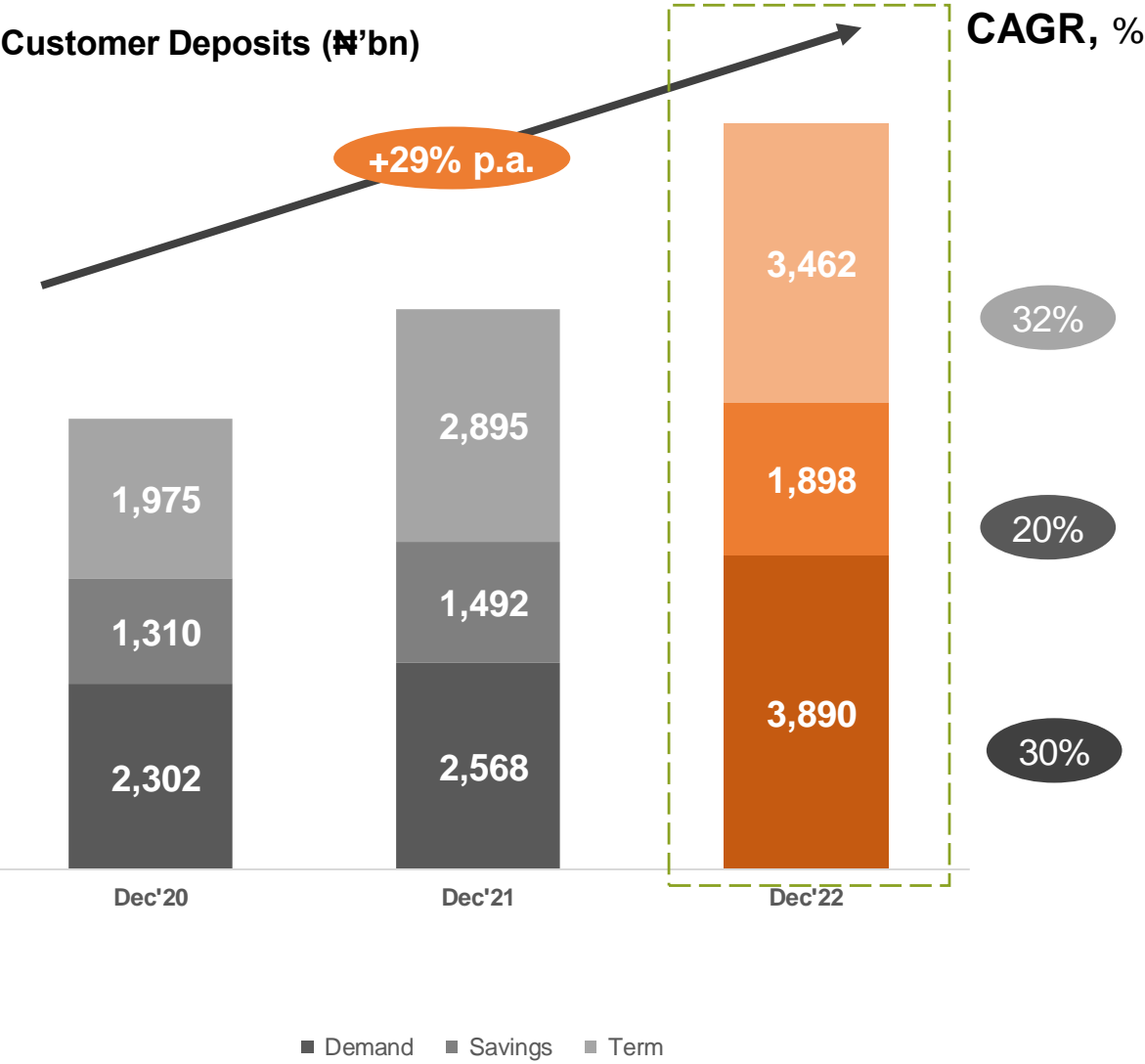
### Margin Management

Active cost of deposit management and loans repricing to support positive NIM growth  
**Level of yields from securities still relatively low** in comparison to inflation growth

\*CAGR %



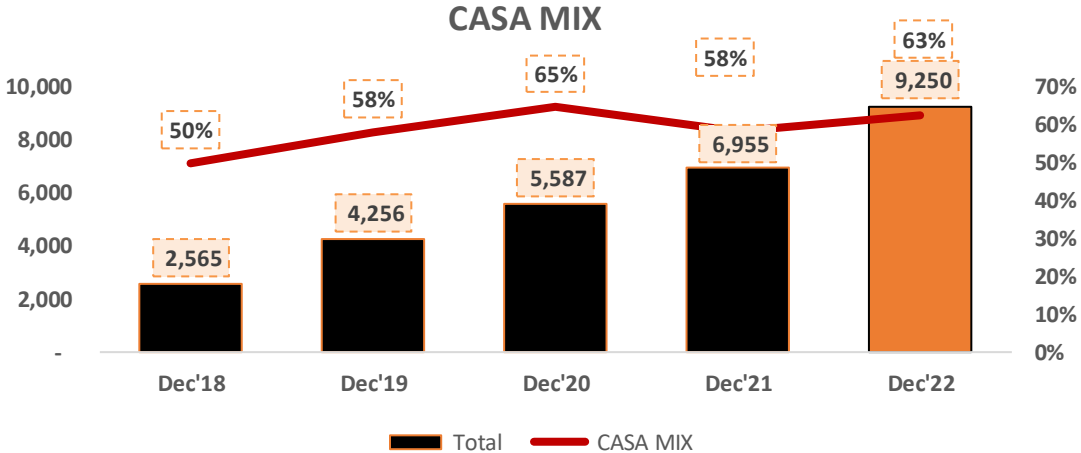
# Continued focus on better balance sheet mix



Customer deposits increased by 33% y/y to ₦9.25trn in the period (Dec'21: ₦6.95trn), from the positive impact of our channel optimization strategy on customer acquisition and deposit mobilization.

Term deposits grew to ₦3.46trn from ₦2.89trn with (20% y/y growth), as we locked in rates to mitigate the prevailing interest rate environment

CASA<sup>(1)</sup> account deposits stood at ₦5.78trn (Dec'21: ₦4.1trn), accounting for 63% of customer deposits. This is due improved customer acquisition, leveraging technology and innovation and expanded agency network to increase financial inclusion

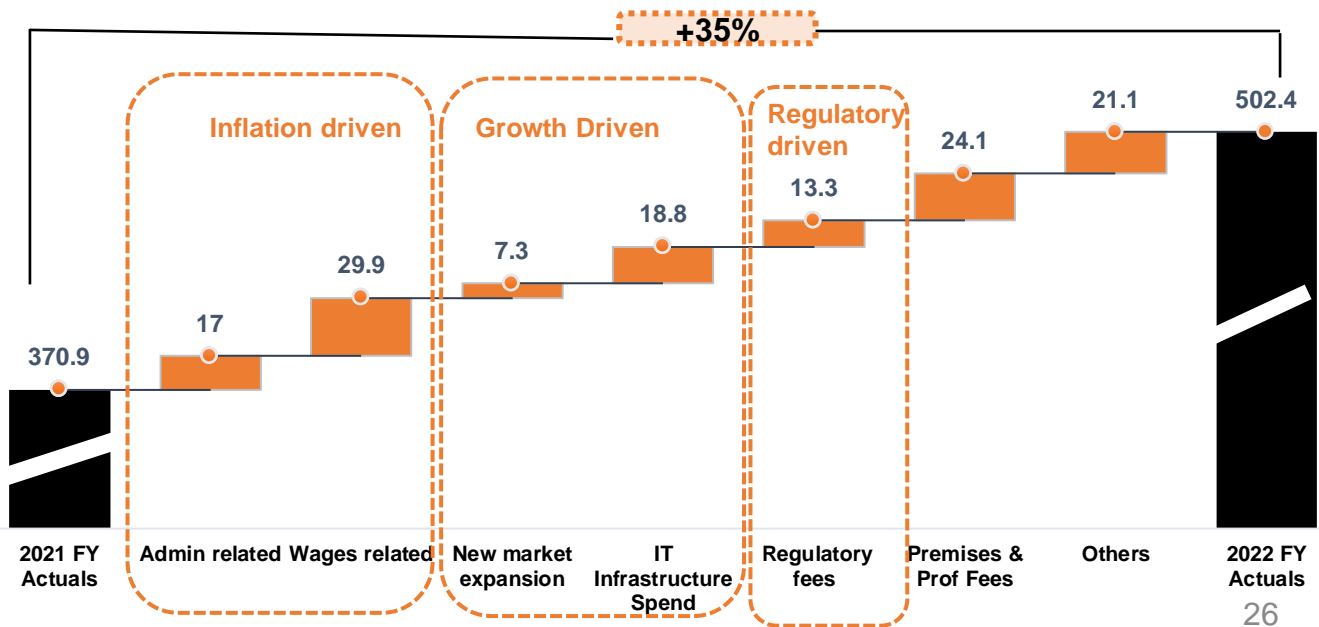
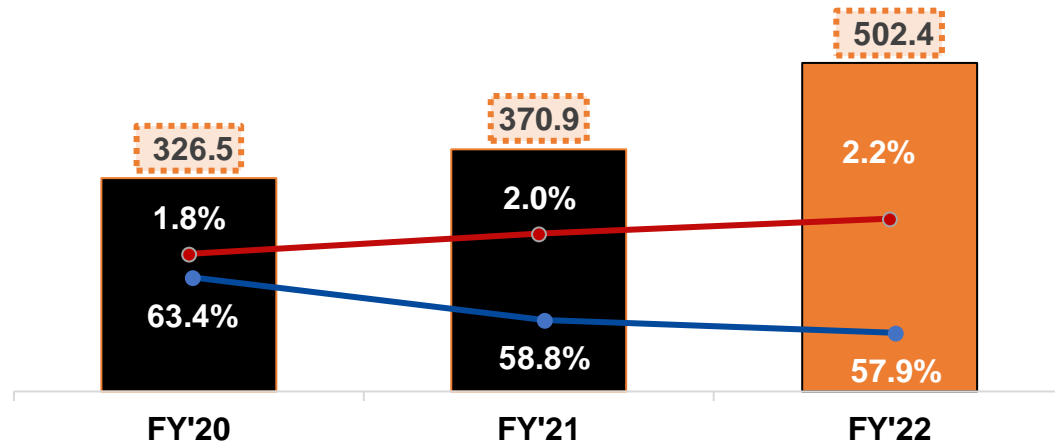


1. Current accounts and savings accounts

# Operating expenses growth aligned with inflation & targeted growth activities

## Operating Expenses (₦'bn), CoR and CIR

Operating Expense    Cost of Risk    Cost to Income



- **Overall Cost to Income ratio improved by c. 92bps y/y to 57.9% (FY'21: 58.8%)** as revenues grew, we doubled down on cost containment strategies, and continued with investment in Infrastructure & Technology to support scale and next phase of growth.
- Impact of the continuous investment from the last strategic cycle, beginning to show in strong growth across all revenue lines
- **Growth in operating expense by 35% y/y to ₦502.4bn (FY'21; ₦370.9bn)** - driven by the double - digit inflationary environment pushing up wages, growth in regulatory fees, impact of FX devaluation, Full year impact of three new banking subsidiaries recognized in 2022.
- IT Expenses – upgrade and revamp of existing IT infrastructure, investment in core banking model (Flexcube) and upgrades to the data warehouse infrastructure.
- Movement in “Others” includes Cash processing fees, security related fees, Depreciation charges.
- **Cost of Risk increased by 20bp y/y to 2.2% (FY'21: 2.0%)**, on the back of Ghana sovereign debt impairments. Cost of risk excluding impairments dropped from 2.0% in 2021 to 1.4% in 2022.

New Market Expansion relates to full year impact of new subsidiaries, South Africa, Mozambique, Guinea and Cameroon

## Performance by Business Segments – broad base of profit generation

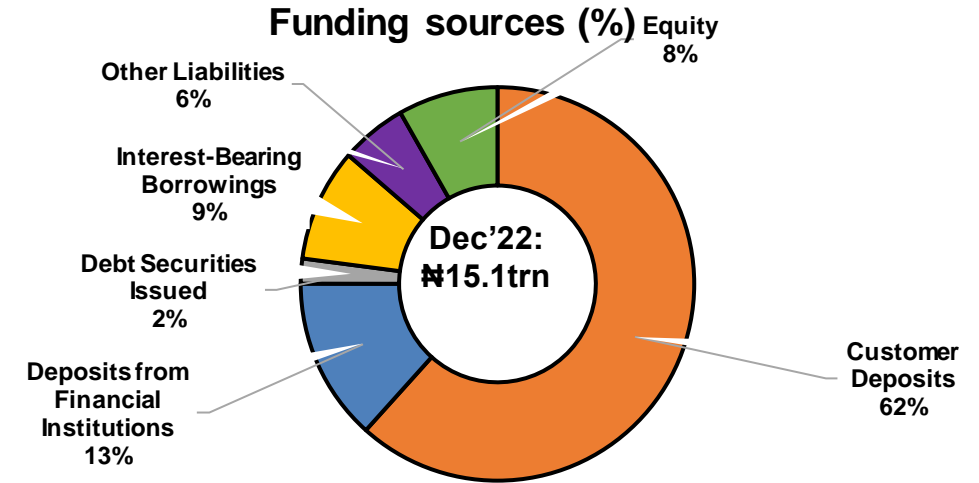
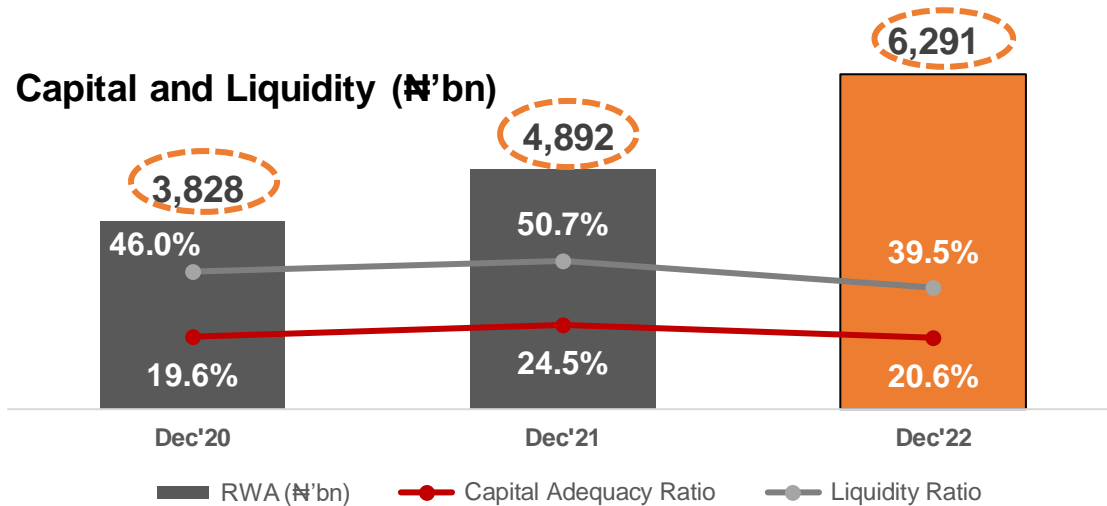
	Banking 2022				Non - Banking 2022			Total
	Nigeria	Rest of Africa	Int'l UK	Banking Total	Payments	Pensions	Holding Company	
Gross Earnings	1,125.0	202.8	70.0	1,389.9	0.0	2.8	2.2	1,387.9
Net Interest Income	224.8	91.5	34.4	358.9	0.0	0.6	0.2	359.4
Non-Interest Income	496.0	52.8	0.0	563.3	0.0	0.7	2.0	560.6
Operating Expenses	(394.5)	(84.3)	(15.8)	(494.6)	(1.0)	(1.7)	(5.0)	(502.4)
Credit Impairment Charges	(118.7)	(70.4)	(0.0)	(204.9)	0.0	0.0	0.0	(197.8)
<b>PBT (Pre Impairment adjs)</b>	<b>208.6</b>	<b>55.5</b>	<b>25.1</b>	<b>277.8</b>	<b>(1.0)</b>	<b>1.1</b>	<b>(2.8)</b>	<b>275.1</b>
<b>PBT (Post Impairment adjs)</b>	<b>162.7</b>	<b>(6.0)</b>	<b>25.1</b>	<b>170.4</b>	<b>(1.0)</b>	<b>1.1</b>	<b>(2.8)</b>	<b>167.7</b>

### Notes

- Sizeable portion of Holding Company costs relates to professional fees incurred for the M&A transactions during the acquisition of the Pensions business, personnel costs and others
- Impairment from Ghana domestic & Eurobonds accounts for N103.1bn of charges, Nigerian sovereign downgrade accounts for N4.3bn
- Banking Group Entity includes intercompany balances

# **Access Banking Group – Capital & Liquidity Management**

# .....underpinned by a commitment to balance sheet strength



- **Capital Adequacy Ratio (CAR) is above regulatory limit of 15% at 20.2%\***, down 4.3% YoY(Dec'21: 24.5%).
- **Risk Weighted Assets (RWAs) grew by ₦1.4trn (+28% y/y)**, primarily driven by strong, cautious and quality growth in the group's asset-book (**42% y/y growth in credit risk**)
- Customer deposits continue to dominate the Bank's funding mix at 62%, as we deepen wallet share of corporates, commercial and retail customers.
- **Liquidity ratio remained well in excess of regulatory minimum at 39.5%** (Dec'21: 50.7%)
- Drop in liquidity ratio was largely due to a significant increase in restricted deposits y/y with the Central Bank of Nigeria
- Access Banking Group is well capitalized with regulatory capital above the minimum requirement of 15%

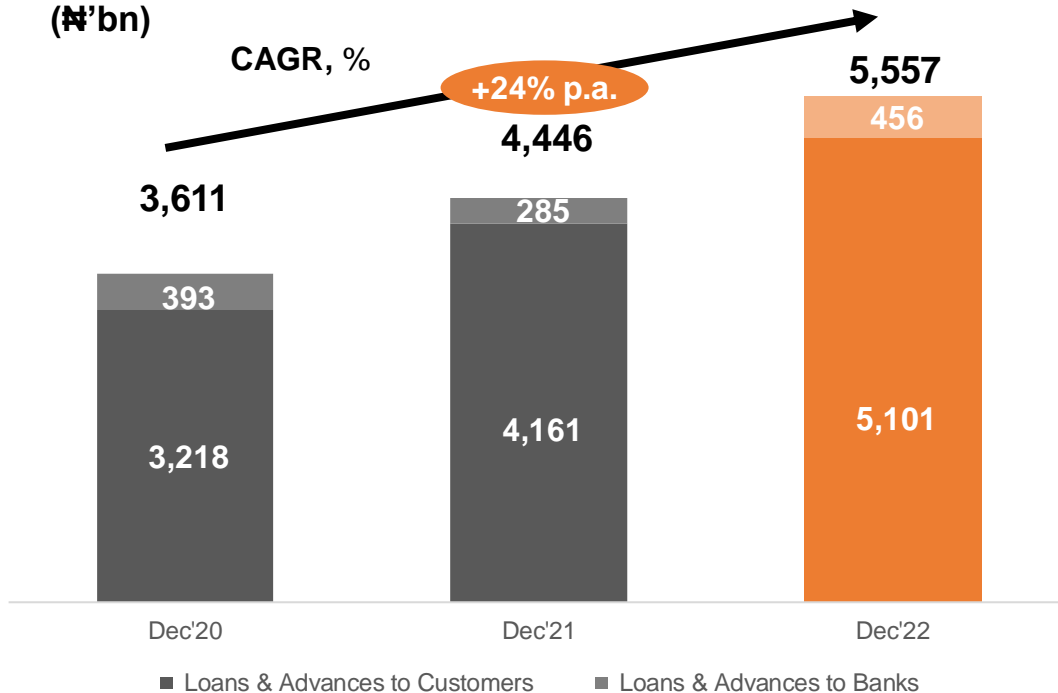
## Capital Adequacy Computation - Basel II

Underlying in ₦'mn	Dec'21	Dec'22	% Δ
Tier I Capital	927,507	997,881	8%
Tier II Capital	271,811	332,594	22%
<b>Total Regulatory Capital</b>	<b>1,199,317</b>	<b>1,330,475</b>	<b>11%</b>
Credit Risk	3,717,070	4,981,413	34%
Operational Risk	934,678	1,097,448	17%
Market Risk	239,867	212,768	-11%
<b>Risk-Weighted Assets</b>	<b>4,891,615</b>	<b>6,291,629</b>	<b>40%</b>
<b>Capital Adequacy</b>			
Tier I	19.00%	15.20%	3.80%
Tier II	5.50%	5.00%	0.50%
<b>Total</b>	<b>24.50%</b>	<b>20.20%</b>	<b>4.30%</b>

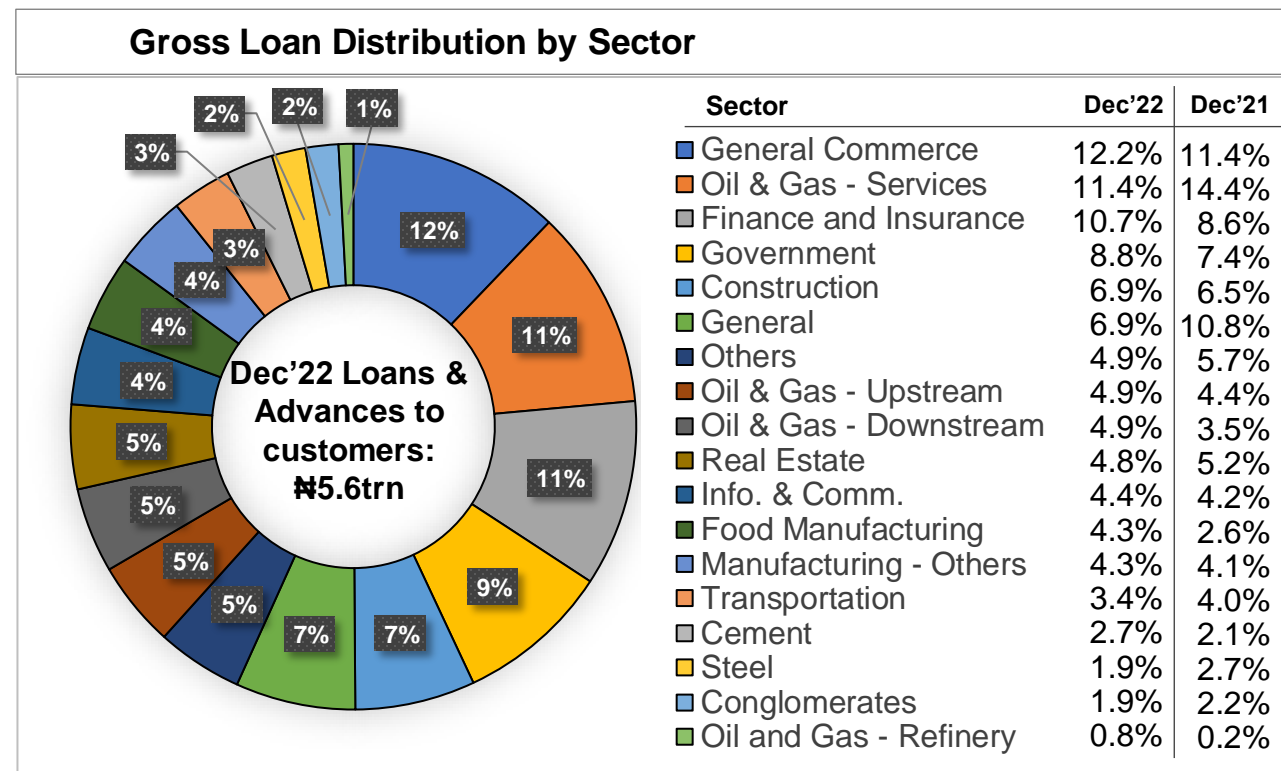
# Access Banking Group – Asset Quality

# .....healthy growth in loan book post pandemic lockdowns

Loans & Advances to customers (₦'bn)

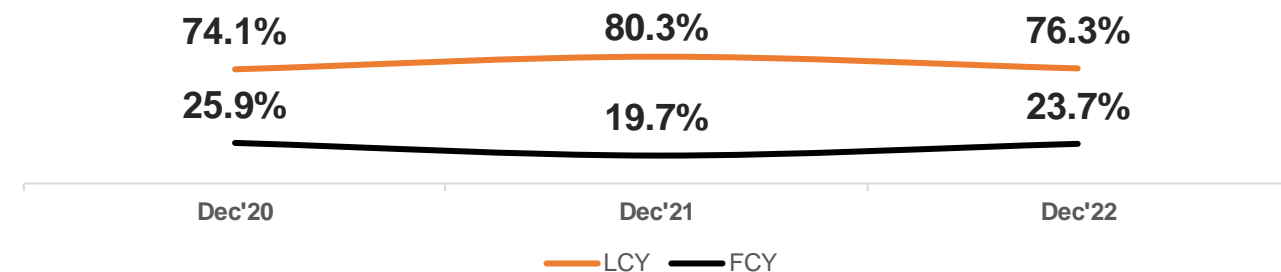


Gross Loan Distribution by Sector



- **Well diversified gross loan book of c. ₦5.6trn** as at Dec'22 (Dec'21: ₦4.4trn), reflecting our strategic approach of mitigating concentration risk with quality credit to critical and growth sectors of the economy.
- The FCY as a share of the loan book increased to 23.7% (Dec'21 19.7%).
- **Loan-to-Funding ratio closed at 58.7% as at Dec'22 (Dec'21: 50.8%),** reflective of a healthy and cautious growth in the loan book.

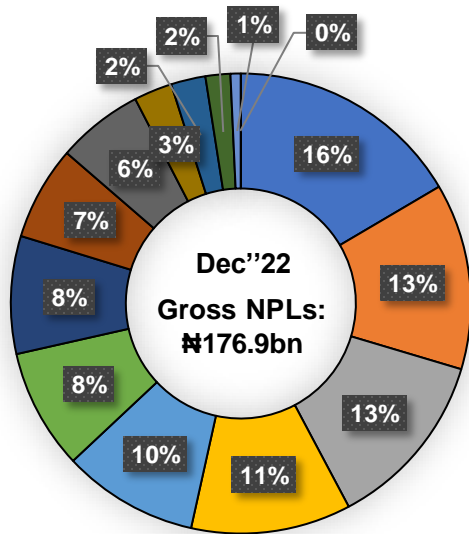
Loans by Currency



(1) The following sectors are included in "Others": Agriculture, Education, Basic Metal Products, Flourmills & Bakeries, and Power & Energy

# Continued improvement in our Assets Quality

## NPL Distribution by Sector

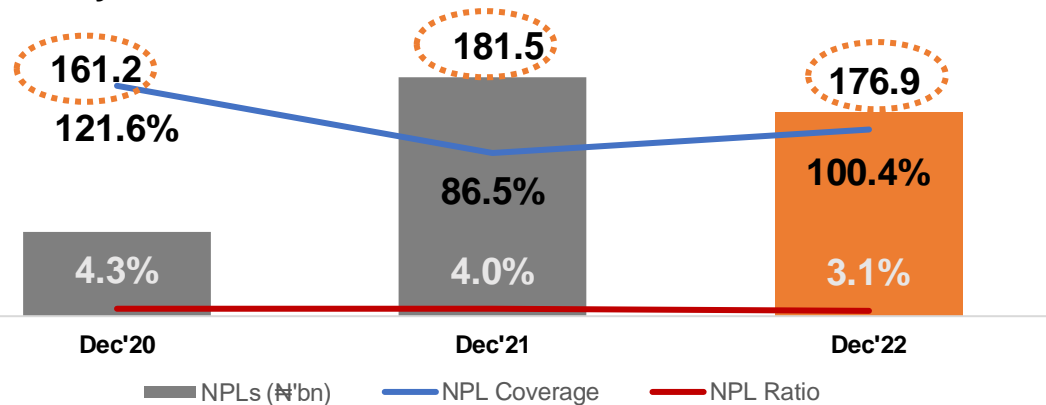


Sector	Dec'22	Dec'21
General Commerce	16.5%	17.1%
Manufacturing - Others	13.1%	13.4%
General	12.6%	11.1%
Information and Communication	11.2%	6.4%
Transportation and Storage	9.5%	9.8%
Real Estate Activities	8.5%	8.4%
Construction	8.3%	7.2%
Food Manufacturing	6.6%	5.6%
Oil & Gas - Downstream	6.1%	7.3%
Steel Rolling Mills	2.7%	4.1%
Others	2.4%	2.1%
Agriculture	1.7%	3.4%
Oil and Gas Services	0.7%	3.6%
Oil & Gas - Upstream	0.0%	0.7%

## NPL Ratio by Sector

	Dec'22	Dec'21
Manufacturing - Others	9.6%	13.0%
Transportation and Storage	8.8%	9.7%
Information and Comm.	8.0%	6.0%
General	5.8%	4.1%
Real Estate Activities	5.5%	6.3%
Agriculture	5.4%	14.5%
Food Manufacturing	4.8%	8.6%
Steel Rolling Mills	4.4%	6.1%
General Commerce	4.3%	5.9%
Oil and Gas - Downstream	3.9%	8.2%
Construction	3.8%	4.4%
Others	0.3%	0.3%
Oil and Gas Services	0.2%	1.0%
Oil & Gas - Upstream	0.0%	0.6%

## NPL Analysis



- Asset quality continues to improve, with NPL ratio down to 3.1% (Dec'21: 4.0%).
- This is hinged on proactive post - disbursement monitoring and robust risk management practices.
- 89% of gross loans in stage 1 classification underpinned by strong asset performance and minimal credit risk in the loan portfolio.

(1) The following sectors are included in "Others": Education, Finance & Insurance, Government, Basic Metal Products, Cement, Conglomerates, Flourmills & Bakeries, Oil & Gas Refinery, and Power & Energy

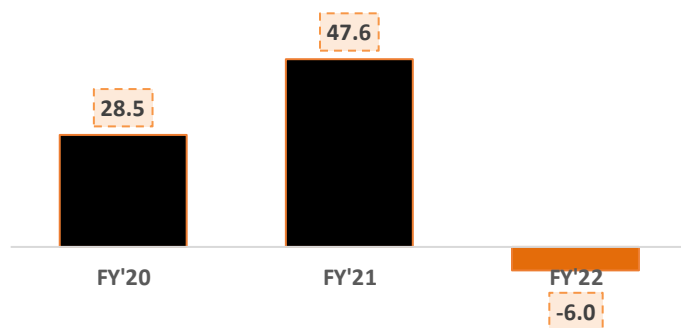


# **Access Banking Group – Subsidiaries performance**

# African & International Subsidiaries' Performance

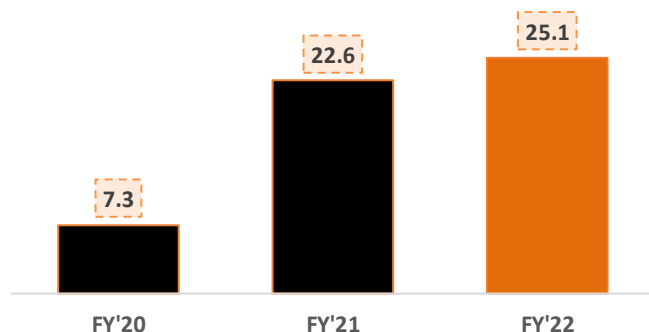
PBT

## Africa Subsidiaries



PBT

## International Subsidiaries



Profit Before Tax	FY2022	FY2021	% Change
West Africa	(20.2)	33.1	(161.0%)
Southern Africa	4.7	2.7	74.1%
East Africa	9.5	7.2	31.9%
<b>Total African Subsidiaries</b>	<b>(6.0)</b>	<b>43.0</b>	<b>(114.0%)</b>
International UK	25.1	22.6	11.1%
<b>Total Subsidiaries</b>	<b>19.1</b>	<b>65.6</b>	<b>(70.9%)</b>

Gross Revenues	FY2022	FY2021	% Change
West Africa	93.9	182.1	14.0%
Southern Africa	82.8	70.4	17.5%
East Africa	30.9	26.3	17.7%
<b>Total African Subsidiaries</b>	<b>207.6</b>	<b>182.1</b>	<b>14.0%</b>
International UK	70.0	57.2	22.3%
<b>Total Subsidiaries</b>	<b>277.5</b>	<b>239.3</b>	<b>16.0%</b>

CIR (%)	FY2022	FY2021	% Change
West Africa	35.4%	29.8%	(5.6%)
Southern Africa	92.3%	88.2%	(4.1%)
East Africa	61.9%	58.1%	(3.8%)
<b>Total African Subsidiaries</b>	<b>59.6%</b>	<b>54.0%</b>	<b>(5.6%)</b>
International UK	27.9%	25.0%	(2.9%)

## Key takeaways

### African Subsidiaries

- Revenue: **₦206.6bn** up 13%y/y (FY'21: ₦182.8bn)
- Impairments: **₦63.2bn** up 329% y/y (FY'21: ₦14.7bn)
- Deposits from customers: **₦1.1trn** up 10% y/y (FY'21: ₦1.0trn)
  - Ghana 28%, Botswana 23%, Zambia 10% contribution.
- Loans and Advances: **₦498.3bn** up 9% (FY'21:455.3bn)
- Ghana Sovereign debt restructuring impacted subsidiary stand alone PBT by c.132% y/y (FY' 21: ₦34.2bn)
- New Subsidiaries
  - Cameroon (operational May 2022)
  - South Africa (operational March 2021)
  - Botswana(operational Oct 2021)
  - Cameroon and Mozambique have broken even and contributed **c.₦2.5bn PBT** to African subsidiaries' revenue in FY' 22

### International Subsidiaries

- Revenue: **₦70.0bn** up 22%y/y (FY'21: ₦57.2bn)
- Impairments: **₦15.9bn** up 8% y/y (FY'21: ₦14.7bn)
- Deposits from customers: **₦577bn** up 10% y/y (FY'21: ₦396.9bn)
- Loans and Advances: **₦1.1trn** up 36% (FY'21:810.1bn)
- France subsidiary approval received – H2 2023 kick off expected .

\*Banking Group Entity includes intercompany balances of N10.1bn

# Update on Ghana Sovereign debt situation

## Key updates

- The Domestic Debt exchange closed on 10<sup>th</sup> of February. Final results from the Ghana's Ministry of Finance shows participation in the exchange was approximately 85% of eligible holders.
- Estimate that the Eurobond debt will have to be reduced in nominal terms by between 25% and 30%, with the potential for an additional reduction in the level of the interest coupons, on which the Government has not been clear
- Unlike the DDE, which has now closed, restructuring of the foreign bonds is at a much earlier stage and negotiations have barely begun

## Government of Ghana's action timeline



## Next Steps

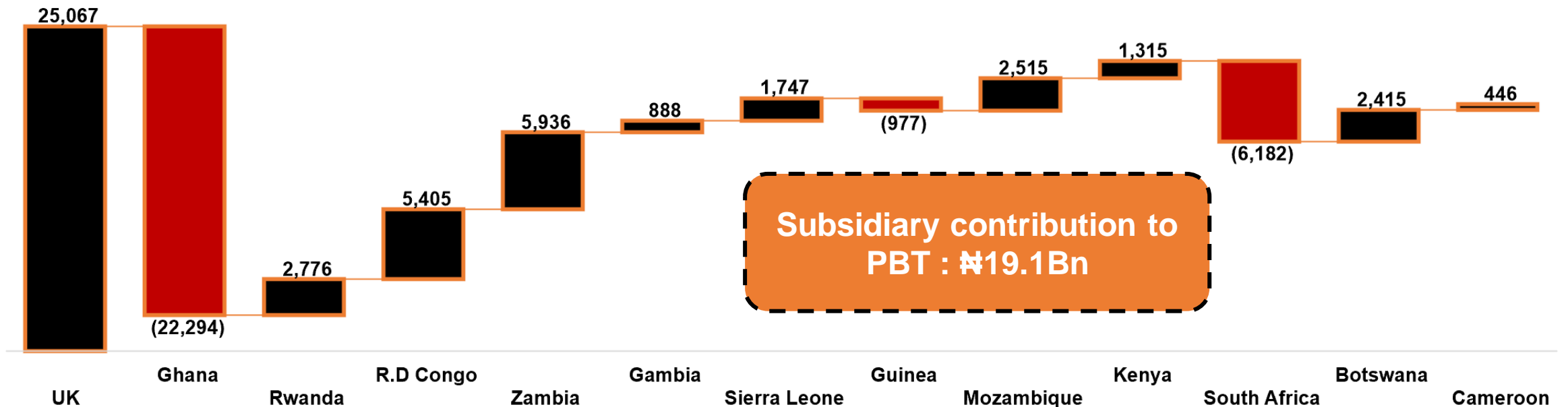
- The restructuring will look to adhere to the common framework, with NPV as the basis and not the asset base of the country, given Ghana is a low-income country.
- Lazard, working on behalf of the Ghanaian Government is concluding an economic model which will serve as the primary basis for the restructuring
- African Group set up by Renaissance Capital alongside other Africa based Eurobond holders, will begin engaging Lazard & the Government of Ghana in the coming weeks . Targeted completion date for restructuring is within 6 months

## Key takeaways

- ❖ Impact of Ghana Eurobonds on Access Banking Group
  - Access Bank Group Exposure to Ghanaian's Eurobond is c.2.3% of Access Banking Group's total assets.
- ❖ Specific Actions Being Taken by Access Bank Ghana
  - Participation in the Domestic Debt Exchange Programme
  - Ongoing Deposit Mobilization
  - Diversification of Revenue Lines
  - Cost Optimization
  - Contingency Funding
  - Review of government related borrowing
- ❖ Group Level
  - Independent Market Review
  - Market Analyst Engagement
  - Internal actions taken to create appropriate reserves to support potential fallout

# Subsidiaries' performance dampened by Ghana Sovereign Debt Restructure

PBT (₦,bn)

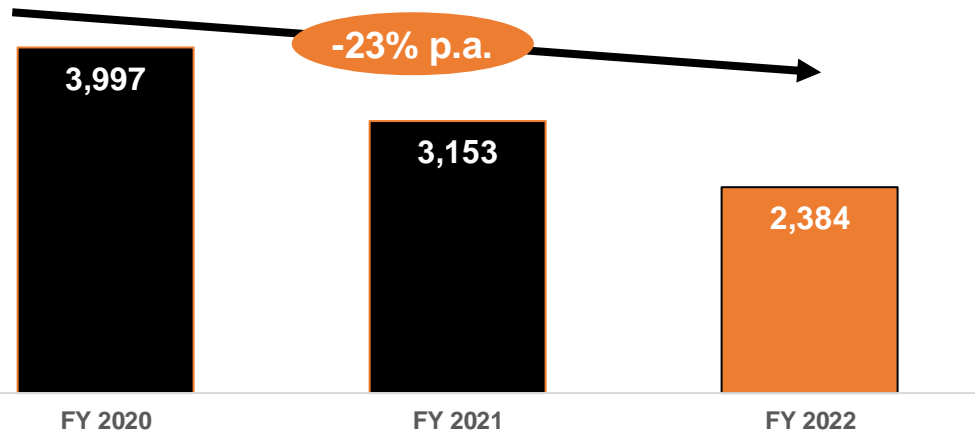


- Subsidiaries' contribution to the Banking Group's performance stood at 11% (FY'21: 38%), with a PBT of ₦19.1bn
- Access Bank UK and Ghana accounted for 59% of Africa subsidiaries' operating income of ₦198bn, up 11% y/y
- Access Bank Ghana recorded a PBT loss position of ₦22.3bn largely due to a c.30% write down in the value of investment securities in the African subsidiary. We have commenced series of actions to mitigate and minimize future impairments
- Total deposits from subsidiaries amounted to ₦2.67trn contributing c. 23% (FY21: 20%) of total Banking Group deposits

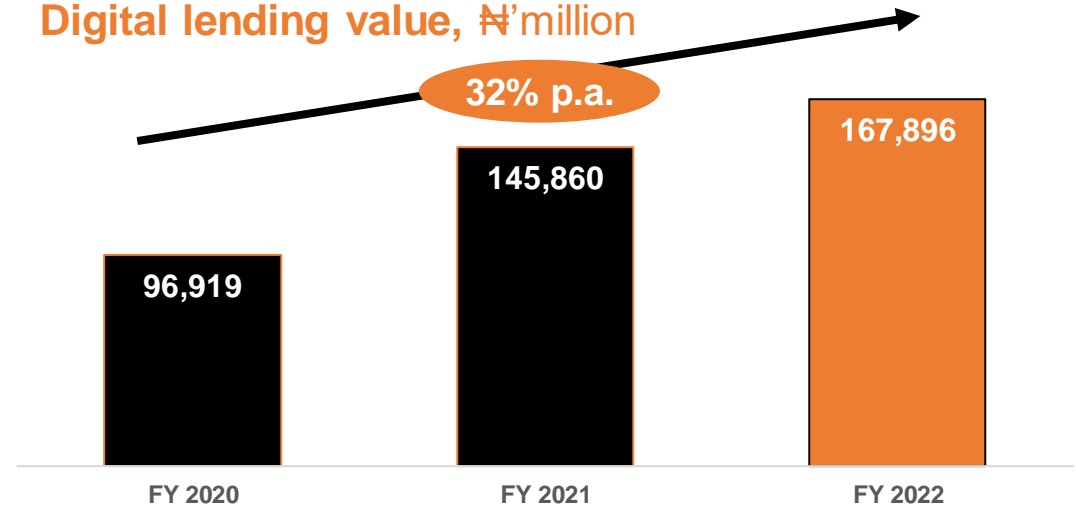
# Access Banking Group: Digital Lending

# Increased scale and velocity of our digital lending – unlocking strategic value

Digital lending count, #, Thousand



Digital lending value, ₱'million



## Products



Small Ticket Personal Loans



~**₱167.9bn disbursement**, a 15% y/y growth from ₱145.9bn in FY'21



Pay day Loans



~**2,384,223 digital loans in the year**, a 24% y/y decrease from 3,153,466 in FY'21. This is on the back of more stringent eligibility criteria



Device Financing



~**₱23.6bn digital lending revenue generated**, 85% y/y growth from ₱12.7bn in FY'21.

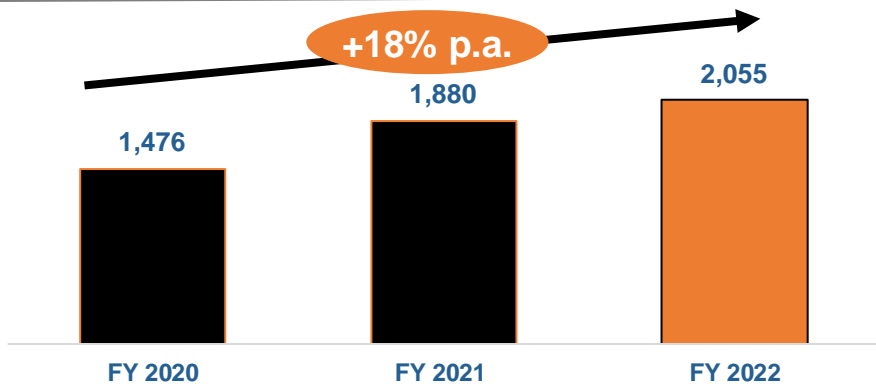


Salary Advance

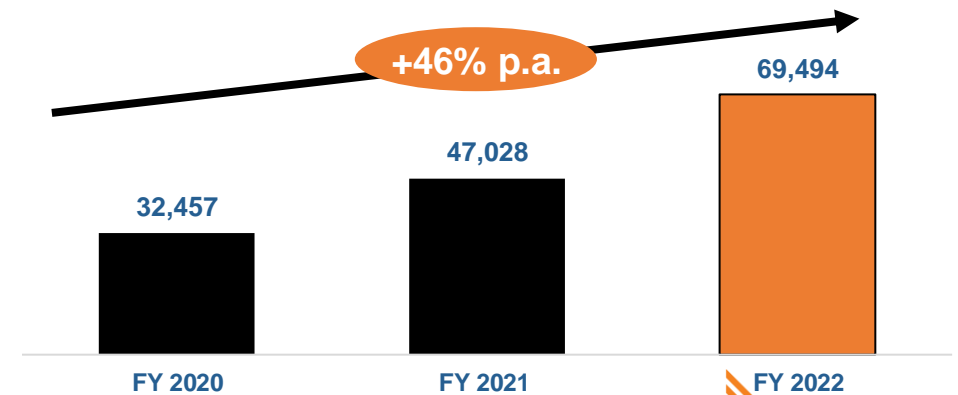
# Drove transaction income through enhanced digital channels transaction velocity

Channels	Count FY'22 (mn)	Count FY'21 (mn)	Count FY'20 (mn)	YonY Growth	Value '22 (₹'bn)	Value FY'21 (₹'bn)	Value FY'20 (₹'bn)	YonY Growth
Debit/Credit Card	431	419	403	6%	5,974	4,038	3,966	15%
POS	41	71	39	2%	1,267	1,687	783	17%
Mobile & Internet Banking	639	447	296	54%	57,757	36,762	24,027	34%
ATM	136	159	146	(2%)	2,070	2,161	1,759	6%
USSD	805	782	590	11%	2,424	1,920	2,377	8%
<b>Total</b>	<b>2,055</b>	<b>1,880</b>	<b>156,747</b>	<b>12%</b>	<b>69,494</b>	<b>47,028</b>	<b>32,457</b>	<b>29%</b>

Total channels transaction count, ₹'million







Total channels transaction value, ₹'billion



# Forward looking Guidance



# Access Corporation: Financial Targets

		2023 Targets	2027 Targets
 <b>PROFITABILITY</b>	Return on Average Equity	18%	25-30%
	Return on Average Assets	>2%	>2%
	Yield on Asset	>10%	>10%
 <b>ASSET QUALITY</b>	Cost of Risk	<2%	<1.5%
	NPL Ratio	<5%	~3%
 <b>EFFICIENCY</b>	Cost-to-Income Ratio	<60%	<55%
	Net Interest Margin	>5%	>6%
 <b>PRUDENTIAL RATIOS</b>	Capital Adequacy Ratio	>20%	>20%
	Loan-to-Deposit Ratio	>65%	>65%
	Liquidity Ratio	>50%	>60%
	AUM (N'trn)	1.3	6.3

## Key Takeaways

NIM is expected to be at least 6% in 2027, this growth in NIM will be driven by **increased lending within the core Bank and by the growth in LendCo's business** which will typically have **higher margins on average**.

Healthy ROAE returns expected over the next 5 year as we continue to maximise returns for shareholders.

**2023 target includes the impact of the recently added capital to Access Bank via AT1 .**

**ROE along with ROA are expected to grow, as a result of improvements in CIR and an increase in footprint across higher efficiency locations**

# Conclusion



Access Bank over the last twenty years has built a strong financial institution **through a disciplined approach to executing its strategy** which has produced market beating results consistently and has **been value accretive**



The institution has transitioned to a Holdco with 5 verticals to capture the opportunities the African market provides as the landscape evolves over the next few years



Access has positioned itself to be at the centre of financial flows on the continent – trade, expanding and deepening financial services and serving corporates with excellence – creating a self sustaining ecosystem



Access Corporation's ambitions will be supported by 7 key enablers. These enablers will ensure Access executes seamlessly, becoming a Top 5 financial services institution in the Continent by the end of the strategic cycle in terms of revenues, asset base and on a balanced scorecard basis



**Capital accumulation and protection over time** despite investments in infrastructure and growth – expected to continue into the future



Access will create a high-performance organization with a **strong bench of talent** who are the best African leaders with capabilities to deliver the corporation's future aspirations

# Access Corporation

# Investor Relations

## Contact Information

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