



# Access Corporation Strategy

2027 5-Year Strategy Document

Investor Presentation

January 2023

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## 2 Historical context and financial performance 2018 -2022

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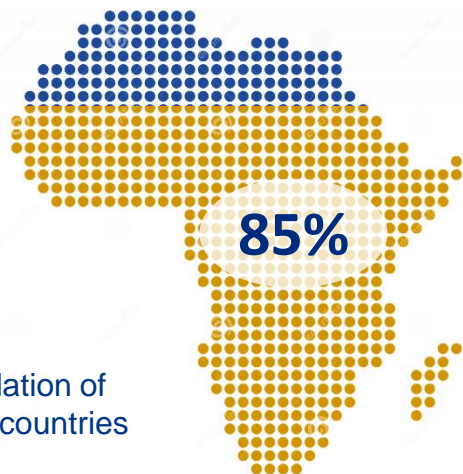
## 3 Looking ahead – our strategy for the future 2023 - 2027

# Access Corporation's Global network and scale

## Large customer base

**52 Million+<sup>1</sup> 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**



### Holdco verticals

- Payments
- Pensions
- Insurance
- Consumer lending

## Growing users on our digital channels

**2,883+ ATMs**

**18.5mn unique mobile app and internet banking users**

**53,440+ POS**

**11mn USSD users**

**633 Branches**

**46k+ Agents**

## Consistent financial performance

**₦906.9bn**

Gross Earnings  
(9M '22)

**₦148.7bn**

Profit before tax  
(9M '22)

**21.7%**

ROACE<sup>2</sup>

**22.6%**

CAR

**15.84**

Tier 1 ratio

## Significant gender diversity

**6,000**

Professional Staff



**53%**



**47%**

## Listings

THE NIGERIAN STOCK EXCHANGE	
(Primary equity listing)	
Irish Stock Exchange	
(\$400m Tier II bond)	
(\$300m Senior bond)	
MOODY'S	B3
FitchRatings	B-
STANDARD & POORS	B-
Agusto & Co	AA-

## 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
- Global Brands Magazine Awards 2022 – Best Digital Banking Brand



1. As at Q3 2022

2. After Tax Return on Average Common Equity

# Our Corporate History

In two decades, Access Bank has emerged as a leading tier one financial institution in Nigeria, in line with its disciplined execution of rolling 5-year corporate plans

## Strategic cycle 2003 -2007

**Appointment of Aigboje Aig-Imoukhuede as MD / CEO and Herbert Wigwe as DMD**

**FMO becomes largest institutional investor through conversion of US\$15m term loan**

Established Access Bank UK International subsidiary in 2007 in addition to Gambia & Sierra Leone subsidiaries

**Raised ₦15bn in public issues to meet capital requirements**

Embarked on a cyclical 5-year transformation agenda

**Successful acquisition of Capital and Marina Banks**

**Moved from 65<sup>th</sup> to 9<sup>th</sup>**

## Strategic cycle 2008 - 2012

**Raised ₦136bn in public offerings, including a highly successful and over-subscribed GDR**

**Issued US\$150m loan stock from multinational institutional investors**

**Acquired Intercontinental Bank**

**Issued US\$350m Eurobond**

Passed CBN's special audit on Governance, Liquidity and Capital Adequacy

**Established Rwanda, Zambia, Ghana & DRC African subsidiaries**

Emerg ed as the fourth largest Nigerian bank following the acquisition

**Top 5 by 2012**

## Strategic cycle 2013 - 2017

**Appointment of Herbert Wigwe as MD / CEO and Roosevelt Ogbonna as DMD**

**Issued US\$400m Tier II Subordinated Notes**

**Raised ₦41.7bn in equity capital by way of a Rights Issue**

**Issued US\$350 Senior Unsecured Notes**

Transition to a large diversified banking institution

Designated 'A Significant Important Financial Institution' by the CBN

**Top 3 by 2017**

## Strategic cycle 2018- 2022

**Signed a Memorandum of Agreement, leading to a merger with Diamond Bank**

**Completed 6 M&A transactions across Africa- South Africa, Botswana, Kenya, Mozambique, Cameroon, Guinea**

**Issued US\$500 Tier 2 capital & US\$500 AT1 Subordinated Notes**

**Issued N15bn Fixed Rate Green Bonds and listed on the FMDQ OTC Exchange and the Nigerian Stock Exchange**

Unveiled new corporate strategy with intent to become Africa's Gateway to the World & launched a new brand reflective of the newly merged entity

**#1 in 2022**



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2 **Historical context and  
financial performance  
(2018- 2022)**

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3 Looking ahead – our strategy  
for the future (2023 – 2027)

# Access has registered successes across its ambition and vision over the past five years

■ 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 and 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 has grown to ~52M customers surpassing the original aspiration of 35M

**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





**Robust risk management:** Access Banking Group has a strong liquidity ratio of 57% and a CAR ratio of 22.5%

# Strategically Expanding our Footprint

Our Expansion Strategy is Deliberate and Disciplined, Focusing on Five Key Principles

## Clusters










### Global financial gateways

-  United Kingdom
-  France
-  Hong Kong
-  Malta








### Trade Hubs

-  Dubai
-  Lebanon
-  China
-  Mumbai

### Key Africa markets

-  Zambia
-  Ghana
-  South Africa
-  Rwanda
-  Senegal
-  Cameroon
-  Mozambique
-  Kenya
-  Cote D'voire

### Rest of Africa

-  Guinea
-  Botswana
-  Gambia
-  DRC
-  Sierra Leone
-  Tanzania
-  Uganda

 Existing Subsidiaries  Potential Future subsidiaries

## Principles

### 1 Aggregator in Africa



### 2 Focus on key banking markets to support regional trade



### 3 Target scale in existing countries



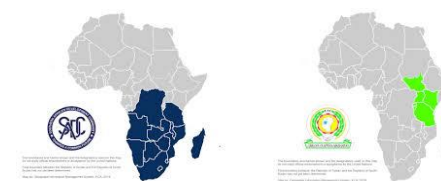
### 4 Risk and earnings diversification



### 5 Build on partnerships



## Examples



Currency risk

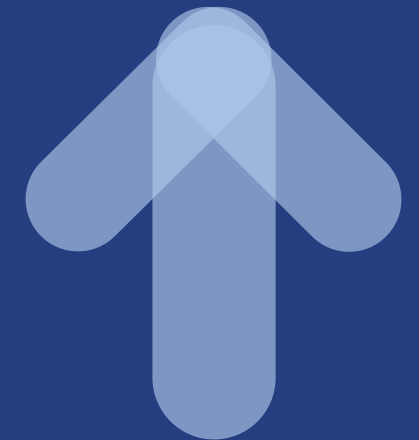
Political risk

Economic shocks

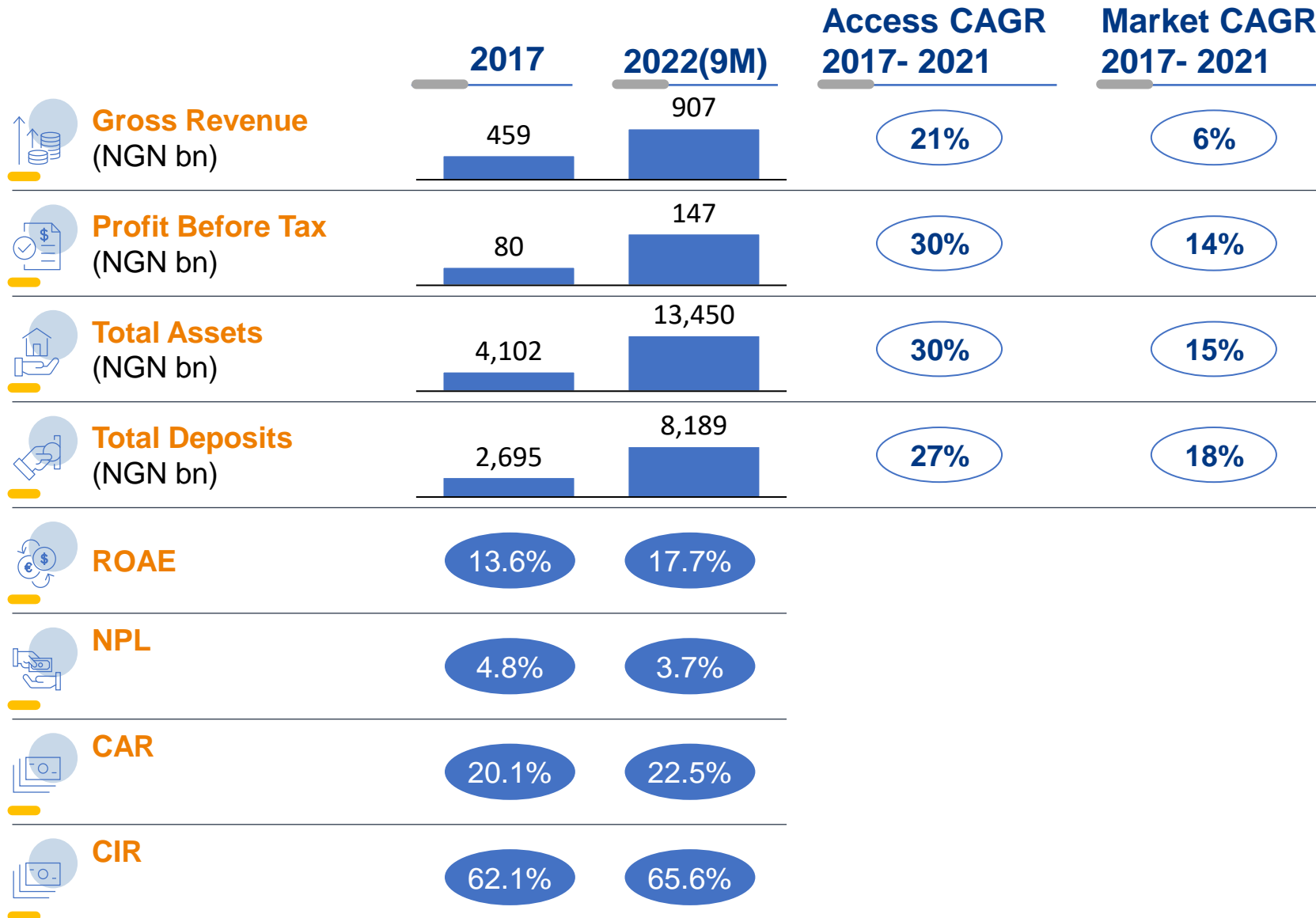


17 Countries  
2022

9 Countries  
2017



# Access Corporation growth story in numbers

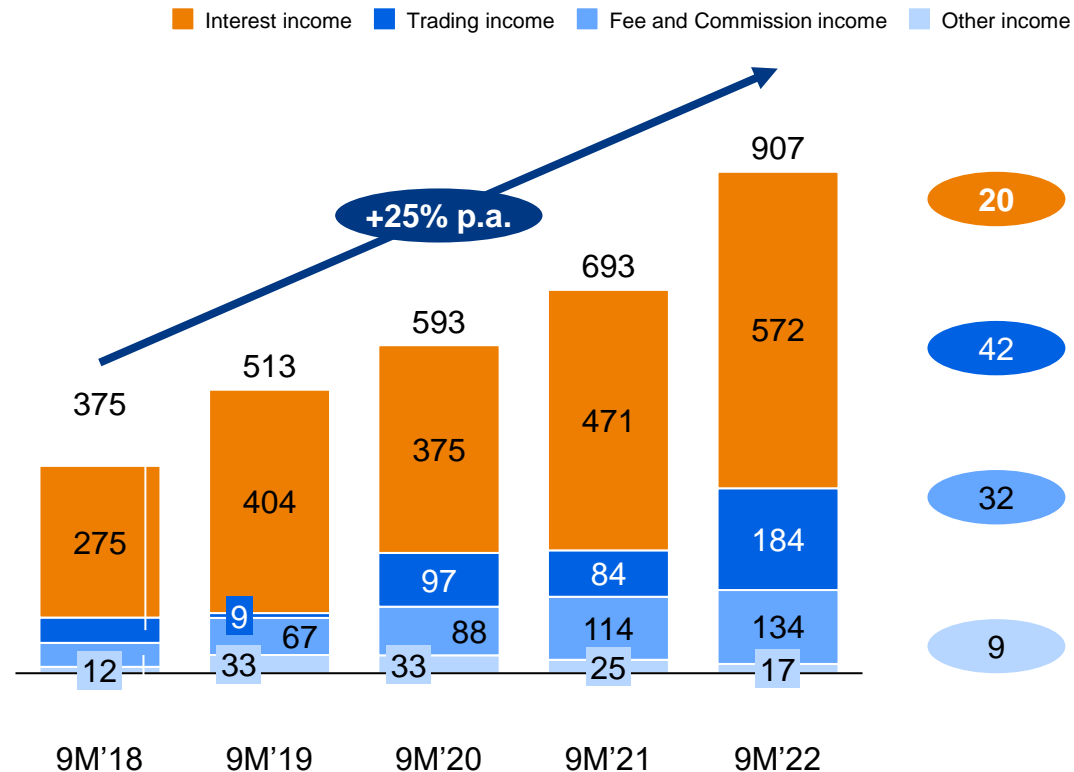


**Access Corporation** has consistently outperformed the market on the growth of key metrics



# We have focused on generating sustainable revenue across all income lines

Gross Revenue, ₹'bn CAGR, %



\*The revenue figures for 9M 2019 reflect revenue of Access Bank 3 –months standalone and 6-months as a combined entity. Whereas 9M 2020 revenue figures reflect revenue for the combined entity for the 9-months period

1. 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 revenue grew 25% to ₹907bn  
(from 9M'18 to 9M'22)

There has been **steady growth across all income lines.**  
**Strong and diversified revenue growth** has been driven by:



Expansive retail banking growth and increased velocity of transactions



Prioritizing margin growth through efficiencies



Optimising value chain of wholesale banking customers



Payments



Credit growth engine



Delighting the customer at every touchpoint

# Total Banking Group 5-year scorecard

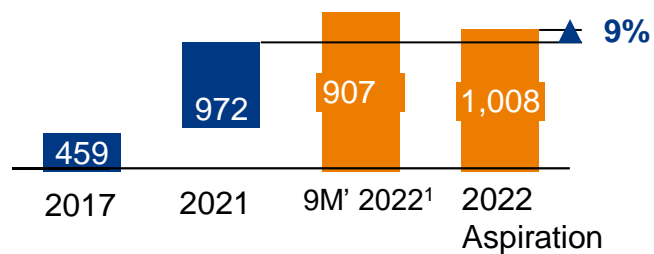
● Less than 80 % of target
 ● 80% of target
 ● On track to target
 ↑ Above target

## Annual revenue

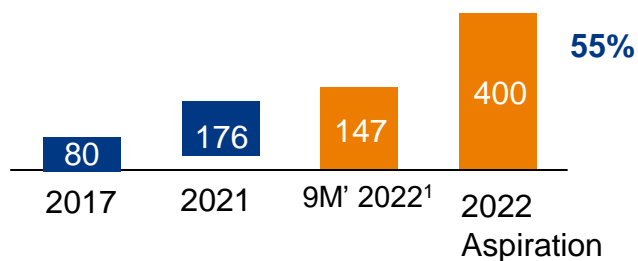
NGN, billions



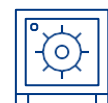
### Revenue



### PBT



## Operating metrics



**Total assets,**  
NGN tn

2017 9M'2022 YTD 2022 aspiration

4.1 13.4 9.7 ↑



**CIR**  
%

62 65 50 ●



**Share of subsidiaries revenue, %**

13 21 20 ↑



**Number of retail customers,**  
NGN mn

9 52 35 ↑



**Market share of revenues Nigeria, %**

12 22 17 ↑

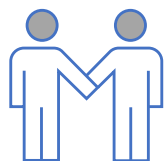
## Key takeaways

- Access has the **opportunity to improve its operational efficiency** to further drive PBT and lower CIR

1. 2022 9M #s based on 9-month Actual financial statements

# Retail (Digital lending 5-year scorecard)

## Products



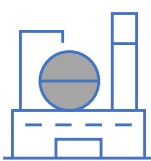
**Personal  
Loans (digital  
included)**



**Pay day  
Loans**



**Lifestyle  
loans**



**Asset  
lease**

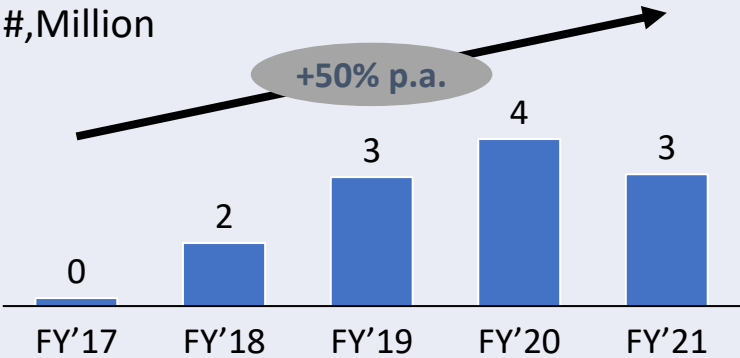
**Flexible interest rate**

**Digitalized channel  
support**

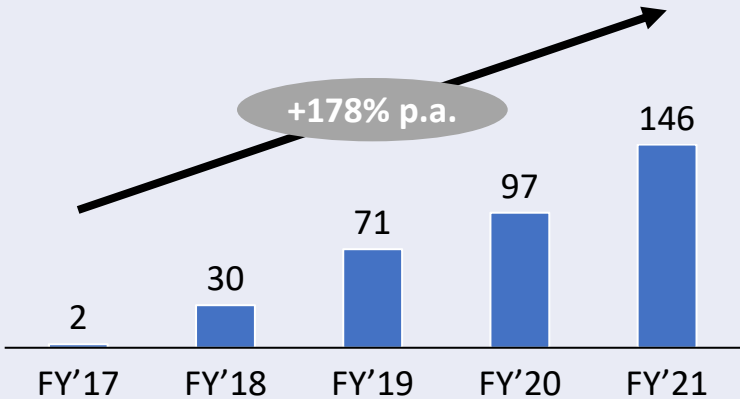
**Seamless remittance  
of fees**

**Wide coverage**

**Digital lending volume,  
#, Million**



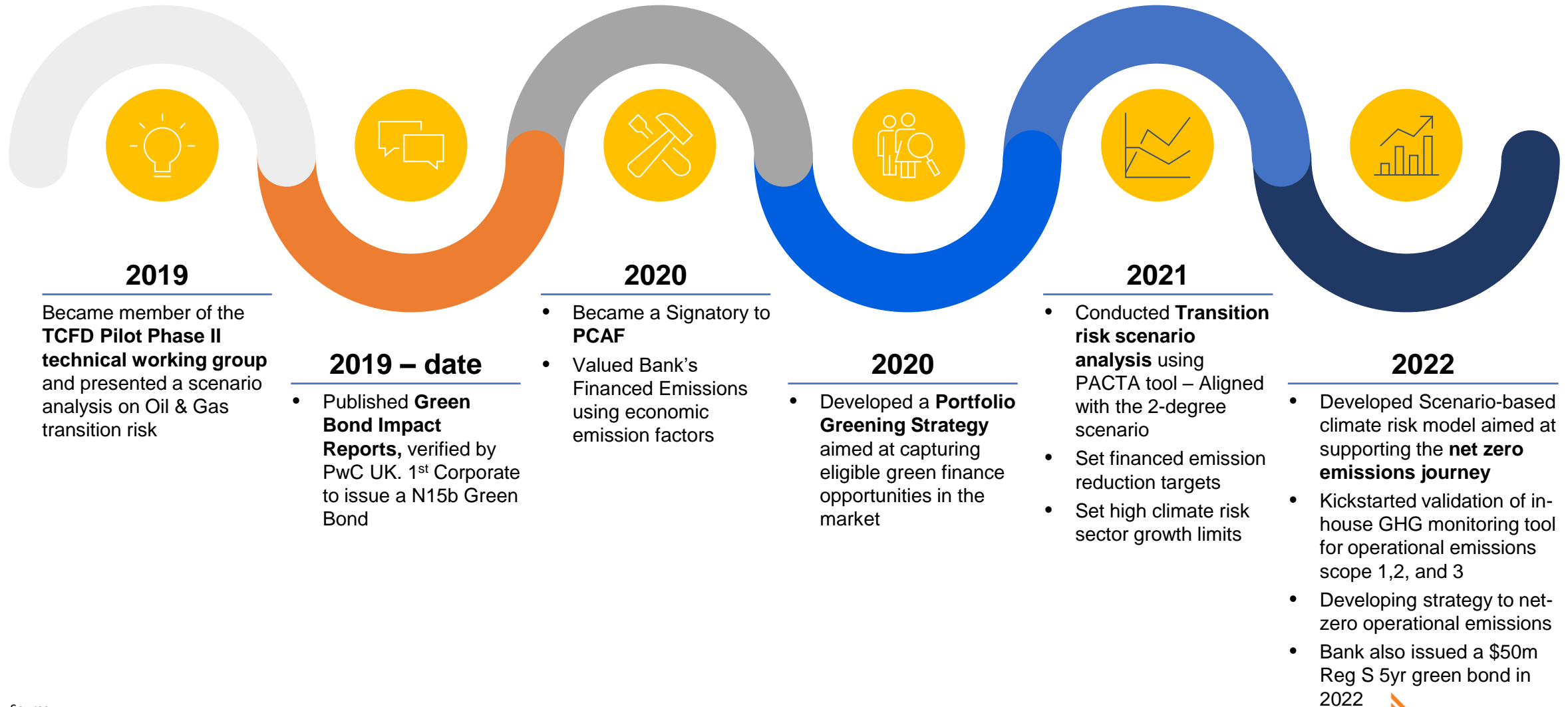
**Digital lending value,  
NGN billion**



Note: This proposed subsidiary is yet to be registered and licenced. However, consumer lending services are currently being offered by the retail segment of the exiting banking business.

# Continued focus on delivering ESG outcomes

## Key milestones



Source: ...



# Our Capital Strategy – Internally Focused

We have maintained and continue to carry forward a residual dividend policy which ensures we keep our investors in mind as well as provide sufficient capital to fund investment and growth, maintaining a sustainable dividend policy



We have continued to maintain an improving retention trend over the years.

	2017	2018	2019	2020	2021
<b>Profit for the year (N'000)</b>	61,990,853	94,981,086	97,509,659	106,009,690	160,215,536
<b>DPS (N)</b>	0.65	0.50	0.65	0.80	1.00
<b>Dividend Declared (N'000)</b>	18,803,182	14,463,986	23,104,397	28,436,181	35,545,226
<b>Retention Ratio</b>	70%	85%	76%	73%	78%

*Continuous growth in DPS expected over the coming years*

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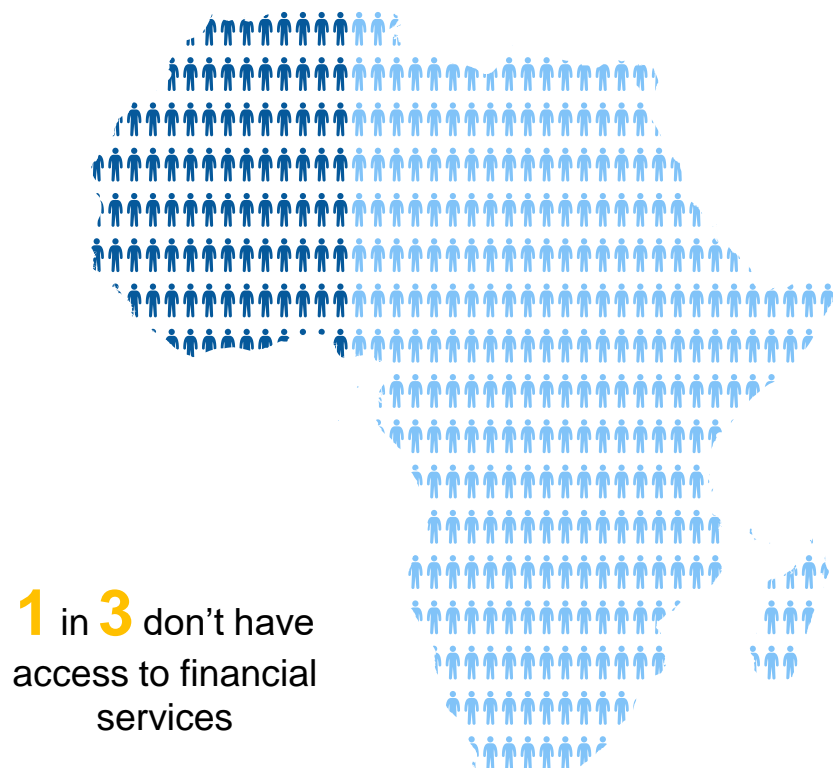
3

▶ Looking ahead – our  
strategy for the future  
2023 - 2027

# Across Africa, there is an opportunity for Access to extend financial services to the unbanked and deepen its financial services offerings to banked customers

NOT EXHAUSTIVE

~370M Africans do not have access to financial services; up to 60M in Nigeria



...additionally, banked customers are demanding a deepening of financial services including loans, payments, insurance

Addressable market pool



>USD 24Bn

revenues for African electronic payments industry growing at 30% pa

~USD 3.6Bn

In value of regulated consumer lending business in Nigeria

Int'l Trade flows



~USD 950Bn

Total trade volume in sub-Saharan Africa

AfCFTA will connect large swathes of these countries into a virtual trading zone

>USD 100Bn

In formal remittances and cross-border payments flows

Growth opportunity



>400 companies

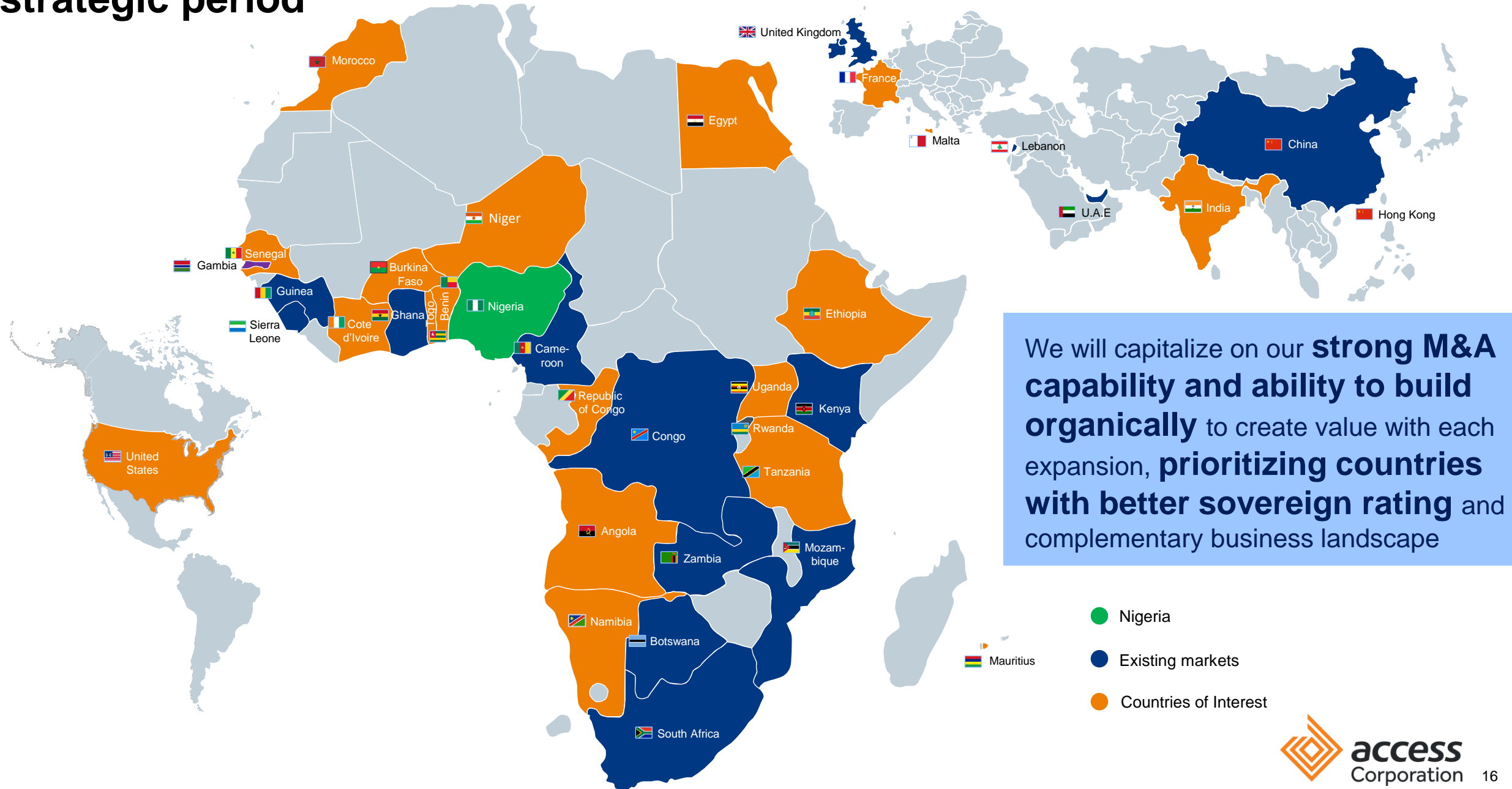
With annual revenues of USD 1Bn or more

Potential to mine untapped retail insurance markets as Africa's insurance penetration is generally lower than global average

~150 companies

corporates operate out of our subsidiary countries

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

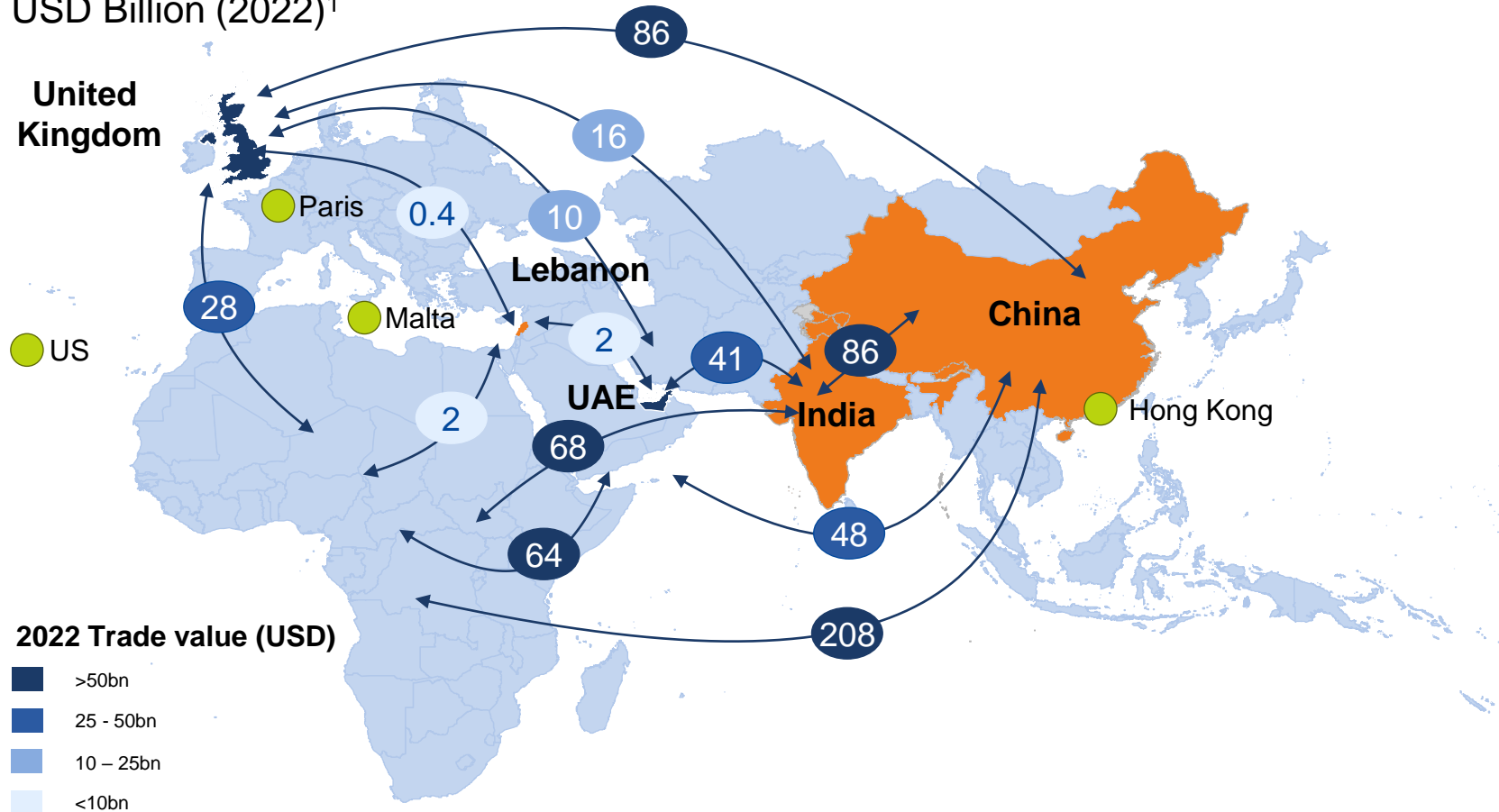




# Our Africa expansion is bolstered by presence and entry into key global financial hubs

● Markets of interests ■ Direct subsidiaries ■ Rep. offices

Trade flows between Africa and Access international locations,  
USD Billion (2022)<sup>1</sup>



Our international subsidiaries will be anchored out of Access Bank UK

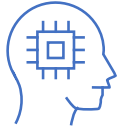
1. Trade data for Lebanon is as at 2018



**Our Africa strategy** is supported by our presence in key international markets which enable us to:

- Diversify our earnings away from the volatile operating environments in Africa
- Orchestrate operations as a global payments gateway
- Manage our risk and exposures to soft currencies
- Enhance our profitability without excess risk

# Globally and in Africa, the financial services market is undergoing structural change



## Improving technology and decreased access costs

**Technological advancements** (e.g., artificial intelligence, machine learning) are capable of processing large volumes of data

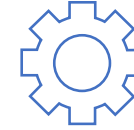
**Increased internet and mobile penetration** across the continent



## Increased availability of data

Radical **increase in data availability** from basic demographic to social media sentiment data and macrotrends

**Democratization** of information and expanded accessibility of technology and new use cases



## Regulation

**Higher transparency**, but more onerous, reporting by banks e.g., on fees, trading book, open access to customer data



## Changing competitive landscape

Increasingly **non – bank players** entering financial services verticals

**Traditional revenue pools** for bank players under attack with decreased differentiation between types of players



## Growing globalization and changing consumer demands

Consumers access to goods & services through global organisations can compare to prices and quality of service from local players

Be increasingly **defined by women and youth as the change agents**, with purchasing power crossing cultural, religious, and demographic divides.

Comprise the **largest block of newly connected consumers on the internet**, globally connected as never before – with global connectivity that is projected to double in the next five years

# Access will gain relevant scale across Africa, global monetary centers and beyond-banking verticals, diversifying its business

## Priority



## Description



### Drive earnings growth efficiently



**Increase profitability** as Access drives scale and gains relevant market share and takes advantage of developing economies of scale

Drive customer penetration at a lower cost base by leveraging **technology and data** to digitize and personalize customers' experience

### Diversify & mitigate risk



**Diversify franchises** to high-growth, more mature and markets with better ratings **to reduce risk in primary country**

Identify **global monetary centers** (e.g., New York, Hong Kong) with a unique proposition

### Gain Access to pockets of growth, including beyond banking



**Build full-scale beyond banking ecosystem** across prioritized verticals

**Refine orchestrator** role to enable growth of the HoldCo and OpCos (Bank, Hydrogen, Oxygen, Pensions and Insurance Brokers)

*Democratising Banking services – critical for Banking services provision over the next 5 years*

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

## The HoldCo consist of 5 subsidiaries;

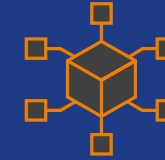
Retail<sup>1</sup>,  
commercial,  
corporate  
banking

Consumer  
lending &  
agency  
banking

Payment &  
switching  
services

Insurance  
brokerage

Asset  
management  
and pension  
fund  
administration



## 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

Bank

Oxygen

Hydrogen

Insurance  
Brokers

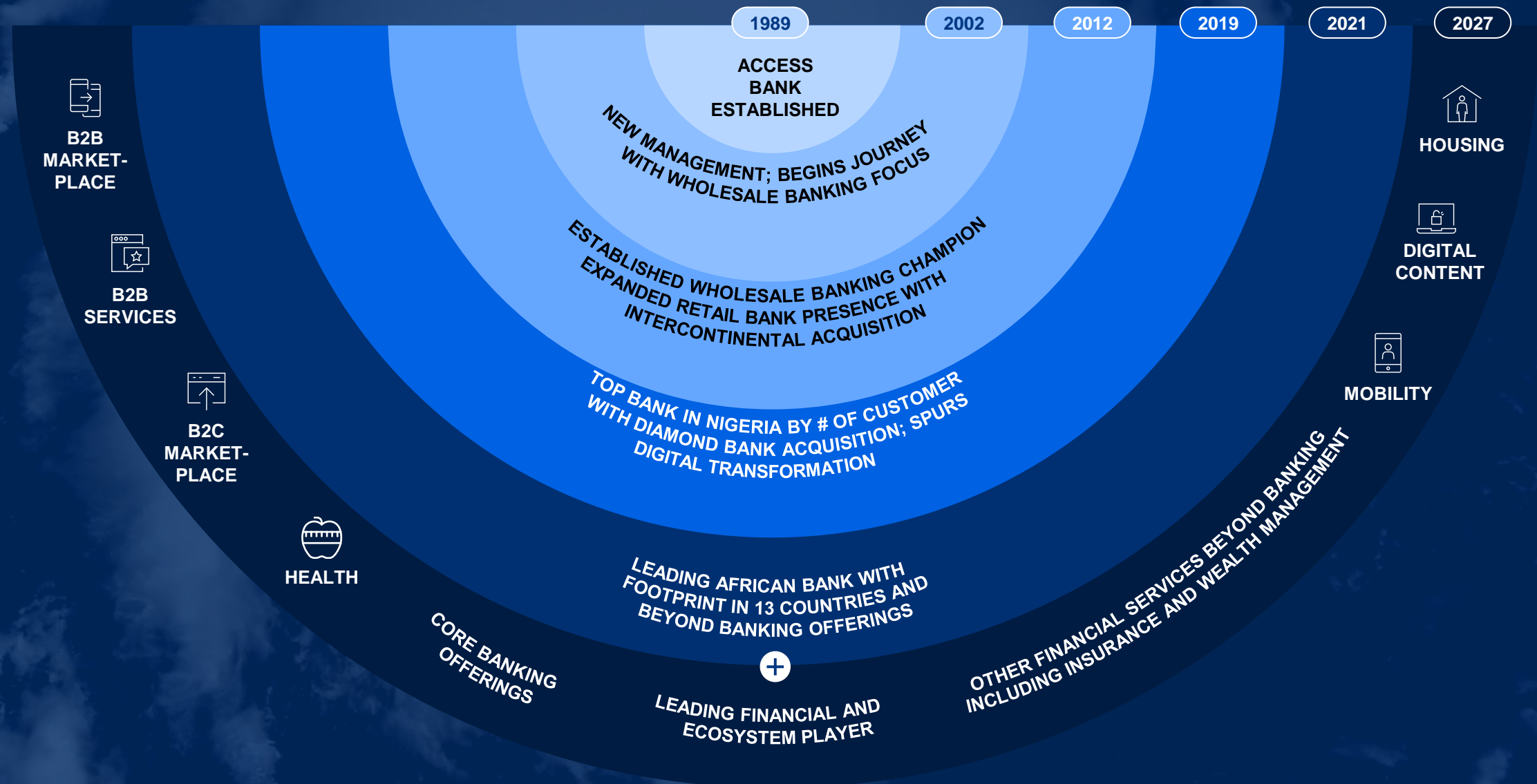
Pensions

**Access HoldCo**  
(ecosystem  
orchestrator)

<sup>1</sup> Retail includes consumers, merchants and agency banking



# Access will be in the eye of the storm, having transformed to become a leading financial and ecosystem player, with its core business as the foundation



# There are 4 key roles the HoldCo will play to deliver on its objectives

**1** Protect the Group from “threats to its survival” (fiduciary, compliance tasks, performance etc.)

**2** Act as a Center of Excellence, developing distinct expertise in select areas

**3** Define the Group’s vision, strategy and risk appetite, and manage capital and performance

**4** Attract and develop top talent, foster a highly attractive culture of excellence for talent and support the corporation’s succession planning



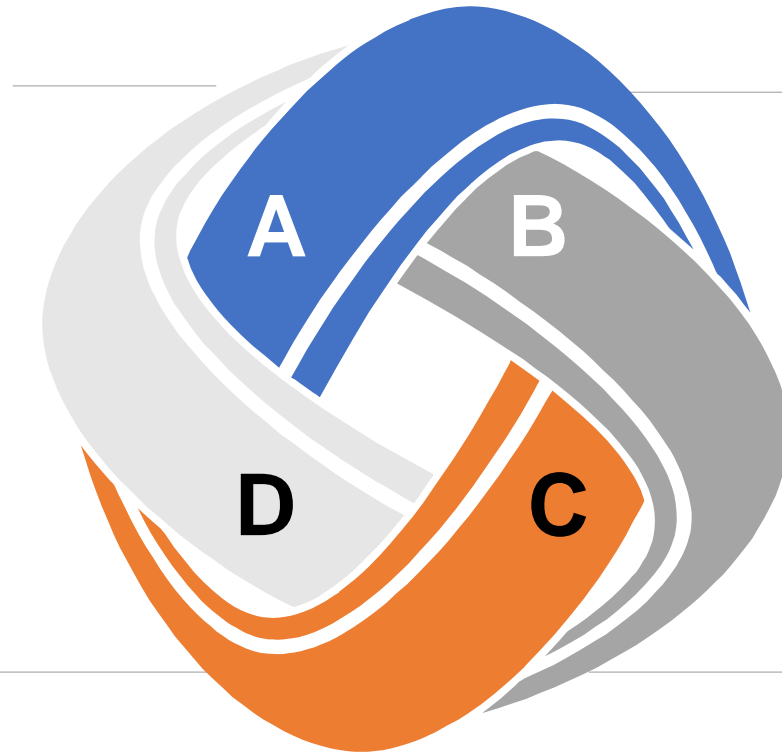
# The Banking group will act as a nexus to drive transformation for the corporation

## Retail Bank aims to evolve into a digital sales and service provider by 2027

- Hybrid model of agents and sales officers.
- Drive financial inclusion
- Digital customer solutions
- Evolved onboarding process
- Access's retail banking vision is to evolve
- Investment focus towards digital channels

## Business Bank will be the preeminent SME financial services provider

- Drive customer acquisition through a sector driven approach
- Digital first service for segments that matter
- Enhanced customer experience with a differentiated coverage model



## Wholesale Bank will consolidate gains while transforming operating model

- Grow customer value through enhanced product offerings and sales effectiveness transformation
- Modernize and redesign digital channels and platforms
- Deliberate talent and recruiting strategy
- Develop strong partnerships across focus value chains

## The Bank will evolve into a leader in international trade facilitation within Africa

- Focus on Africa- wide expansion
- Our international subsidiaries will be anchored out of Access Bank UK
- Seamless person to person intra-Africa funds transfer
- Access will transition into a leader in intra- and inter-Africa trade facilitation

# Hydrogen will be focused on delivering integrated payments solutions



## Customer Focus

Hydrogen will be focused on two main customer groups - **financial institutions** (including Access bank, Tier-2 Banks, and Fintechs) and **Merchants/SMEs**



## Product offerings

Hydrogen will offer products across three main business lines

- **Card servicing:** credit, debit and prepaid
- **Merchant payment solutions**
  - POS
  - e-commerce
- **Switching**
- **Direct card routing**



## Customer acquisition strategy

Digital-led low-cost customer acquisition strategy from four main sources:

- **Access Bank** and its existing customers
- **Ecosystem partners and Fintechs** through digital partnerships & alliances
- **Hydrogen sales team**
- **AA-powered digital marketing (pull model)**
- **International expansion** (2023+)



# Oxygen is primarily focused on digital loans to consumers and MSMEs



## Customer Focus

Primarily **retail customers** (i.e., lower- and middle-income salary earners and self-employed individuals) and **micro-SMEs**



## Product offerings

Primarily **digital lending** with **savings and value-added services** supporting the business

- **Traditional consumer and SME lending** such as asset and device financing, personal loans, working capital financing SME loans, etc.
- **Emerging consumer lending** e.g., Buy Now Pay Later, niche personal loans
- **Savings and investment products**
- **Value added services** such as insurance, airtime purchases, payments etc. leveraging other Access OpCos



## Customer acquisition strategy

Digital-led low-cost customer acquisition strategy from three main sources:

- **Segments of existing Access Bank Corporation customer base** (underserved and/or unprofitable to serve)
- Customers of **ecosystem partners e.g., Konga**
- Oxygen **digital marketing**





# Pensions will provide affordable pension services by creating a comprehensive and digitally-enabled offering



## Customer Focus

Pensions will operate as a Pension Fund Administrator focused on both employers (pensions & benefits administration) and individuals (pension accounts and advisory)



## Product offerings

Pensions will provide a comprehensive and differentiated offering in the pension fund market centered around two main types of services

- **"Enhanced Pensions services"**, e.g., personalized advisory on pension and savings
- **Ancillary services** (through focused partnerships), e.g., app-based reward system providing benefits if saving/contribution targets are met



## Customer acquisition strategy

Pensions will acquire customers from three main avenues

- **Leveraging relationship with existing corporate customers** to provide services to their employees
- **Cross-sell pension products** to existing banking individual customers
- **Targeted commercial campaigns** through both physical and digital channels

*By 2027, Access will be a top 2 pensions player across our markets – 2 acquisitions already completed with benefits already accruing to the Corporation*





# Insurance Brokers will be focused on providing insurance intermediation and other value-added services



## Customer Focus

Insurance Brokers will operate as a licensed broker, seeking the best possible deals available in the market for its clients **(including Access Bank customers)**;

- Insurance Brokers will also act as an **agent of insurers** in collecting premiums **and in some instances** acts on behalf clients when managing claims



## Product offerings

Insurance Brokers will provide two main types of services

- **Insurance intermediation for all classes of insurance**
- **Insurance advisory services**



## Customer acquisition strategy

Insurance Brokers will acquire customers from three main sources

- **Access Corporation** and its existing customers
- **Ecosystem partners** and their customers
- **Insurance Brokers sales team and digital marketing**



# Access Corporation will be supported by strong objectives across seven enablers



# There are four defined imperatives for the risk function across ERM and credit risk

## 1. Close acute gaps

**Address acute pain points across enterprise and credit risk management** including the implementation of robust safeguards for emerging threats and ensuring adherence to risk and credit processes

## 2. Digitize and automate manual processes

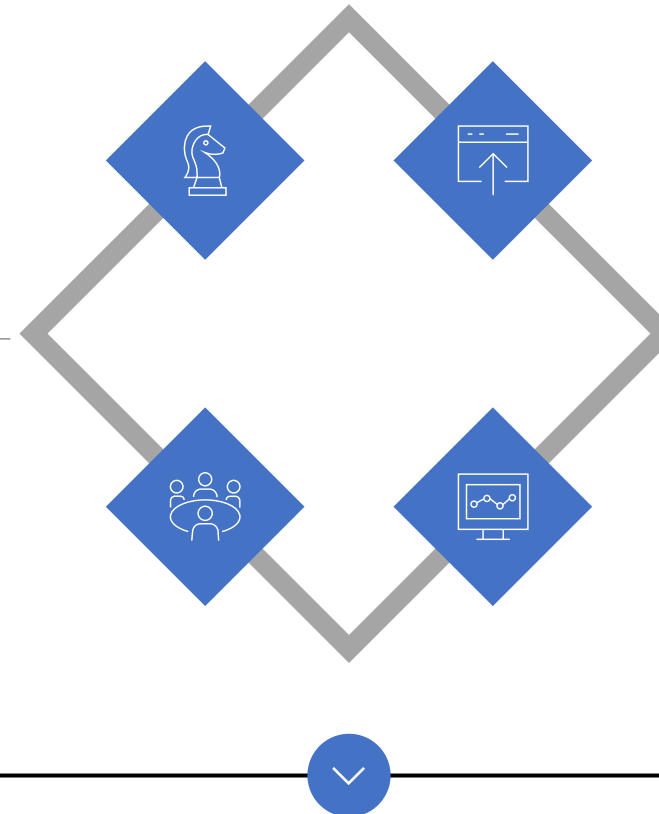
**Enhance efficiency of risk processes and real-time reporting** through digitization, acquiring cyber & tech risk talents and deployment of premium automation and real-time dashboards

## 4. Deepen risk-business engagement

**Enhance level of collaboration between business and risk teams** by involving risk in the origination process for complex loans and conducting the risk culture survey yearly to identify opportunities to heighten risk awareness

## 3. Leverage next-gen Advanced Analytics/Machine Learning driven models

**Expand AA-ML use cases for data-informed modelling** to improve the ability to predict high risk and cyber threats, and the effectiveness of credit related decision making



## Key metrics in 2027

**>20%**

Capital Adequacy Ratio

**<3.0%**

Non-Performing Loans Ratio

**>60%**

Liquidity Ratio

# Experienced Leadership Team across verticals – continuous attraction & development of talent for the future

## Holdco Executives



**Herbert Wigwe**

Group  
Managing Director



**Bolaji Agbede**

Executive Director



**Lanre Bamisebi**

Executive Director, IT and  
Operations



**Morounke Olufemi**

Group CFO



**Sunday Ekwochi**

Group Company Secretary

## Bank Executives



**Roosevelt Ogonna**

Managing Director



**Chizoma Okoli**

Deputy Managing Director,  
Retail South



**Victor Etuokwu**

Deputy Managing Director,  
Retail North



**Gregory Jobome**

Executive Director,  
Risk Management



**Oluseyi Kumapayi**

Executive Director,  
African Subsidiaries



**Hadiza Ambursa**

Executive Director,  
Commercial Banking

## Vertical CEOs



**Kemi Okusanya**

CEO  
Hydrogen



**Dave E Uduanu**

CEO  
Access pensions

# Access Corporation: Financial Metrics and Ratios Guidance

## Liquidity and profitability



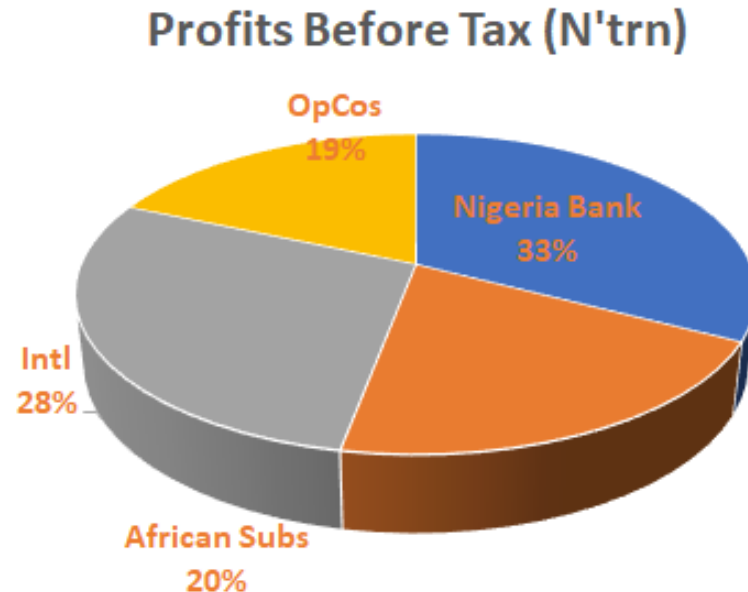
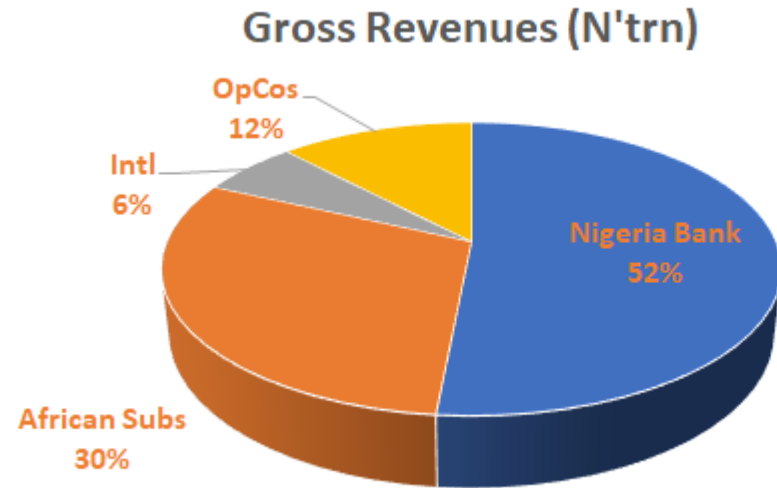
	2021	2027
CAR	24.5%	>20%
ROE	18%	25% - 30%
ROA	1.6%	>2%
Liquidity Ratio	51%	>60%
LDR	64%	>65%
CIR	59%	<55%
NIM	4.3%	>6%
CoF	3.4%	3% – 3.5%

## 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 ROE returns expected over the next 5 year as we continue to maximise returns for shareholders. **ROE along with ROA are expected to grow**, as a result of **improvements in CIR** and an **increase in footprint across higher efficiency locations**

# Access Corporation: 2027 Outlook by Geography



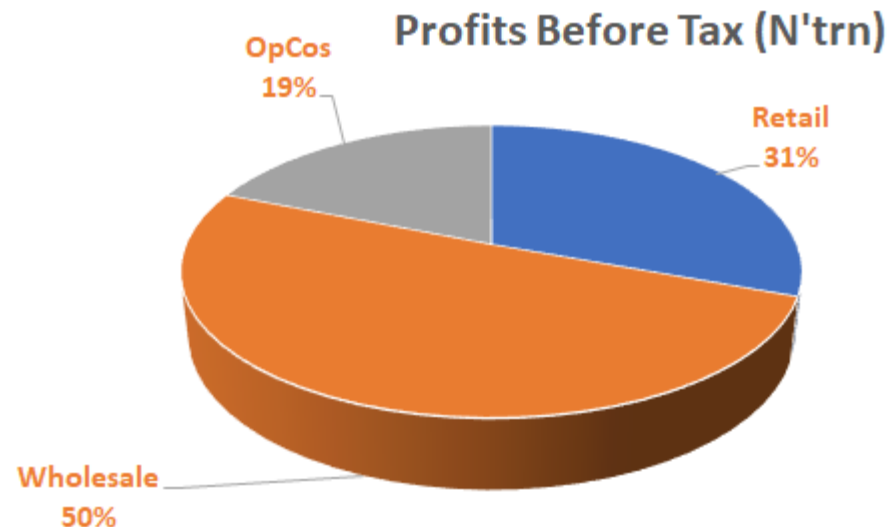
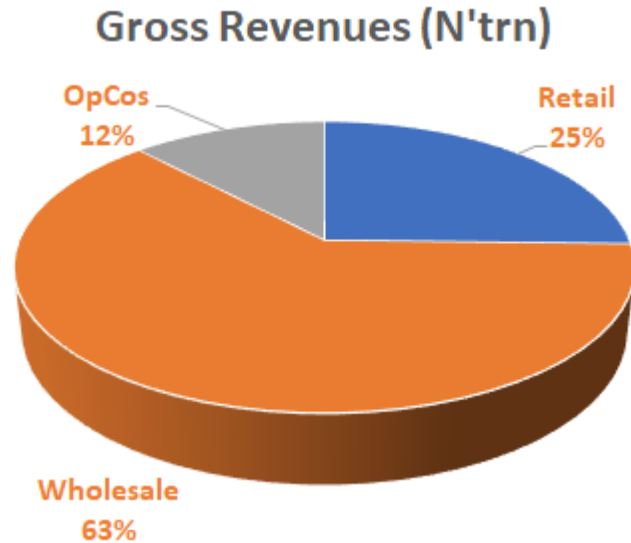
## Key Takeaways

By 2027, we expect the Nigeria Bank to be contributing c.52% of revenues compared to c.82% (9M'22). The new verticals will also be contributing c.12% of total revenues , as revenues from African Subsidiaries is expected to double over the next 5 years.

**PBT contributions from Nigeria Bank is expected to reduce from c.63% (9M'22) to c.33%**, while the new verticals are expected to contribute c.19% of the profitability by 2027, while African Subsidiaries will contribute c.20% as our footprint grows across the Continent.



# Access Corporation: 2027 Outlook by Business



## Key Takeaways

**By the end of 2027, we expect to be in at least 26 countries** and in at least 3 Organization for Economic Co-operation and Development (OECD) countries supporting trade ( United Kingdom, France & United States of America)

**The customer acquisition drive to hit 100mn for the Retail Business** by 2027 will continue, as we migrate majority of customers to digital platforms by 2027 across all touchpoints

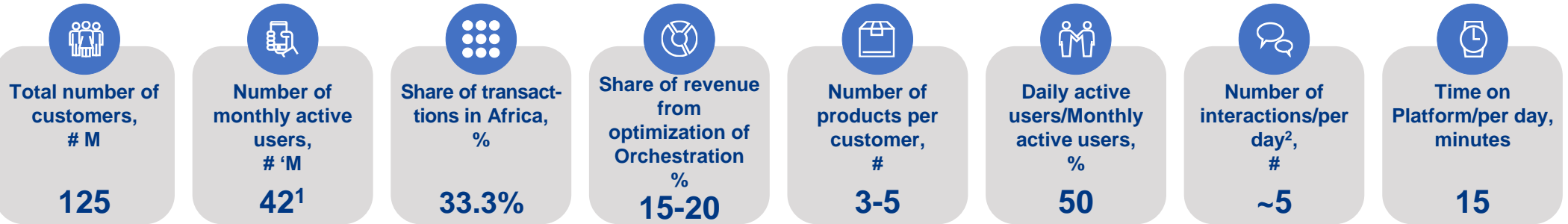
**Our primary focus on trade is to leverage established presence across trade and financial hubs across the world to continue driving trade outputs**

Presence in London, Dubai, Hong Kong, Lebanon, Beijing, Mumbai etc. and extensive footprint across the Continent.

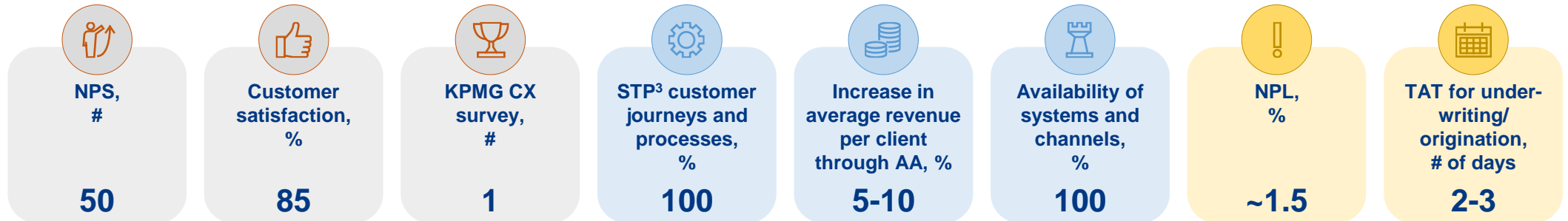
# Access Corporation, Score card 2027

Enablers:  CX  IT  Risk

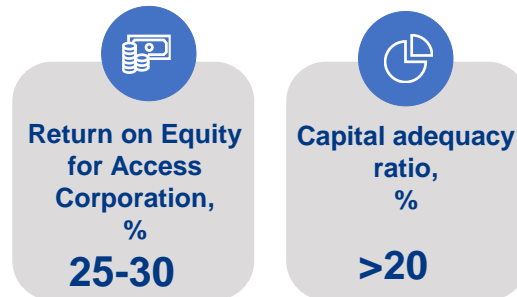
## Ecosystem



## Enablers



## Financial



1. Benchmarks: ~33% of total customers

2. Per customer on Access Platform

3. Straight through processes

# 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