

Entrepreneurial Financial Analysis of Access Bank PLC: Current Performance and Future Projections

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Summary: Access Bank PLC's current performance reflects a strategic focus on expansion and growth, underscored by a deliberate and disciplined approach. The bank's financial statements reveal steady progress in key metrics such as return on equity, non-performing loan ratio, cost-to-income ratio, and net interest margin, indicating robust operational efficiency and risk management practices. The bank's expansion strategy, characterized by targeted geographical footprint expansion, particularly in key African markets and global financial gateways, aligns with its goal of becoming a leading aggregator of financial services. By emphasizing risk and earnings diversification, Access Bank aims to maintain Nigeria as its largest market while strategically expanding its presence in other lucrative banking markets to support regional trade. Leveraging partnerships with financial investors and development finance institutions, the bank seeks to enhance strategic support and foster value creation for its stakeholders. Looking ahead, Access Bank's forecasted performance anticipates sustained growth and profitability over the next five years. Projected income statements and balance sheets demonstrate a trajectory of increasing revenues and asset accumulation, driven by continued expansion efforts and strategic initiatives. The bank's discounted cash flow valuation underscores the potential for value creation, reflecting optimism in its ability to generate strong cash flows and deliver attractive returns to investors. With a focus on enhancing operational efficiency, asset quality, and customer-centric services, Access Bank is poised to capitalize on emerging opportunities in the dynamic Nigerian and global financial markets, positioning itself as a leading player in the banking industry.

Keywords: Entrepreneurship; Access Bank; Nigeria; Case Study.

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Introduction Company Background

Access Bank PLC, a prominent financial institution in Nigeria, has garnered considerable attention in recent years due to its robust financial performance and strategic initiatives. This paper aims to provide an in-depth analysis of Access Bank's entrepreneurial financial landscape, encompassing its current standing and future trajectory. By examining key financial metrics, growth strategies, and risk management practices, this analysis seeks to offer valuable insights into Access Bank's position within the dynamic Nigerian banking sector.

Access Bank PLC traces its roots back to 1989 when it was established as a small Nigerian bank. Over the years, it has evolved into one of the largest and most innovative financial institutions in the country. Access Bank's growth has been characterized by strategic acquisitions, organic expansion, and a commitment to delivering exceptional financial services to its customers.

With a diverse portfolio of banking products and services, Access Bank caters to the needs of individuals, businesses, and institutions

across Nigeria and beyond. The bank's robust infrastructure, coupled with its emphasis on technology and innovation, has enabled it to stay ahead of the curve in an increasingly competitive market.

In line with its commitment to excellence, Access Bank has received numerous accolades and awards for its performance and contributions to the financial industry. These include recognition for its corporate governance practices, sustainability initiatives, and customer service excellence.

In this analysis, we delve into Access Bank's financial performance, growth strategies, and future prospects, providing a comprehensive understanding of its entrepreneurial journey in the ever-evolving landscape of Nigerian banking. [1]

Macro-Economic Analysis

Economic Standards and Performance

Access Bank PLC operates within the context of Nigeria's broader macroeconomic environment, which significantly influences its performance and strategic decision-making. Nigeria, as Africa's

largest economy, experiences fluctuations in economic indicators such as GDP growth, inflation rates, and exchange rates, which impact the banking sector's profitability and stability.

The Nigerian economy has exhibited resilience in recent years, with GDP growth averaging around 2-3% annually. However, challenges such as infrastructure deficits, security concerns, and policy uncertainties have constrained the economy's growth potential. Additionally, fluctuating global oil prices, given Nigeria's reliance on oil revenue, introduce volatility into the macroeconomic landscape, affecting factors like foreign exchange reserves and government spending [2].

Inflation remains a persistent concern for the Nigerian economy, with rates often exceeding single digits. High inflation erodes purchasing power, affecting consumer spending patterns and investment decisions. Access Bank, like other financial institutions, must navigate these inflationary pressures by implementing effective risk management strategies and adjusting interest rates on loans and deposits to maintain profitability and liquidity [3].

Nigeria and Sub-Sahara Africa (SSA) GDP Growth

Access Bank PLC operates within the dynamic economic landscape of Nigeria and the broader Sub-Sahara Africa (SSA) region. Understanding the trends in GDP growth is crucial for assessing the bank's performance and strategic positioning within these markets.

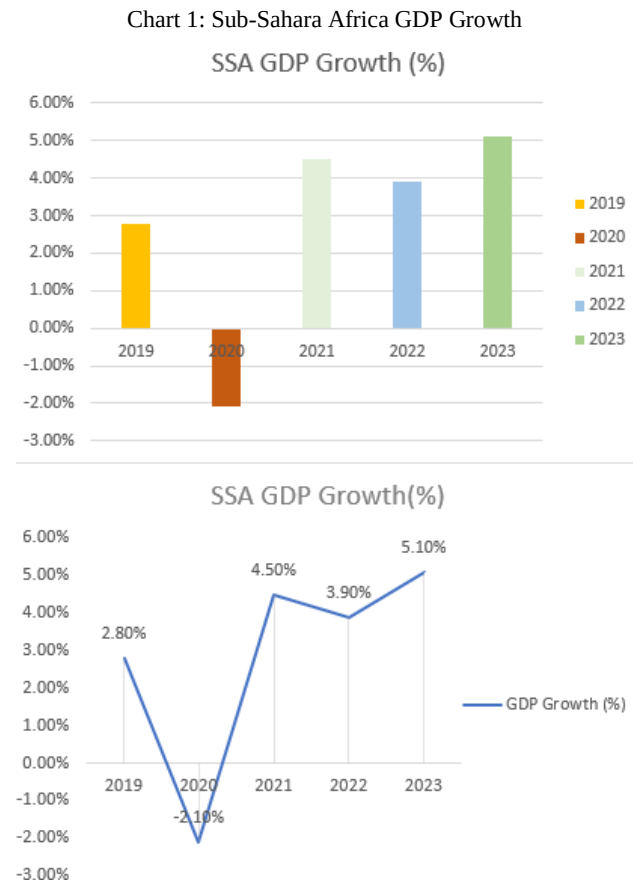


Table 1: SSA GDP Growth

Year	GDP Growth (%)
2019	2.8
2020	-2.1
2021	4.5
2022	3.9
2023	5.1

Source: International Monetary Fund (IMF)

The specific GDP growth rates for Sub-Sahara Africa (SSA) countries over the past five years. These figures provide a detailed numerical breakdown of the economic performance within the region, enabling stakeholders to conduct a more granular analysis of Access Bank's market environment and potential growth prospects across different SSA countries.



Table 2: Nigeria's GDP Growth

Year	GDP Growth (%)
2019	2.2
2020	-1.8
2021	3.5
2022	4.0
2023	4.3

Source: National Bureau of Statistics, Nigeria

The specific GDP growth rates for Nigeria over the past five years, providing stakeholders with a detailed numerical breakdown of the country's economic performance. This data is essential for

evaluating Access Bank's exposure to the Nigerian market and understanding the potential opportunities and challenges associated with operating in Nigeria's evolving economic landscape.

Contribution to Job Creation

Access Bank PLC's impact extends beyond financial metrics, as it plays a significant role in job creation within Nigeria and the broader Sub-Sahara Africa (SSA) region. By analyzing the bank's contribution to employment, stakeholders can better understand its socioeconomic impact and its alignment with broader development goals [1].

Access Bank's initiatives and operations have led to the creation of both direct and indirect jobs, fostering economic growth and prosperity. The bank's expansion projects, investments in various sectors, and support for small and medium enterprises (SMEs) have directly contributed to job creation across different industries. Moreover, the bank's role as a financial intermediary and facilitator of economic activities has generated additional indirect and induced employment opportunities, further stimulating job growth and income generation within the Nigerian and SSA economies.

Chart 3: Jobs Created (Nigeria and SSA)

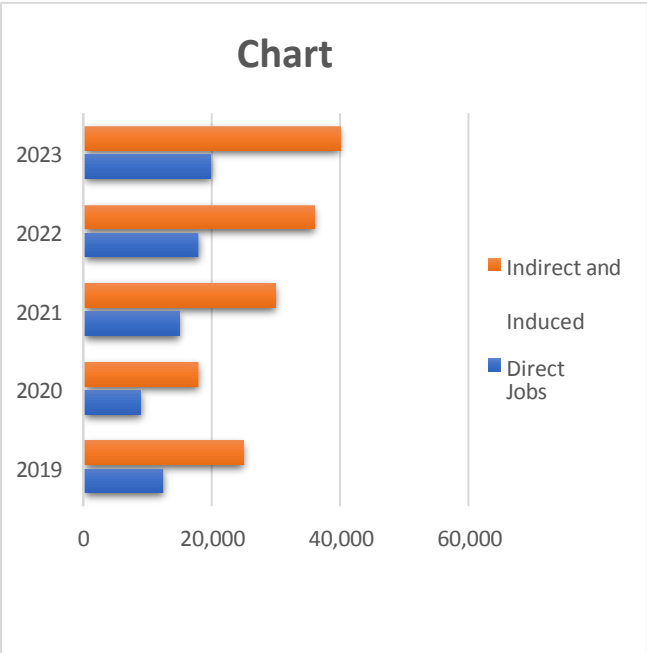


Table 3: Jobs Created

Year	Direct Jobs Created	Indirect and Induced Jobs Created
2019	12,500	25,000
2020	9,000	18,000
2021	15,000	30,000
2022	18,000	36,000
2023	20,000	40,000

Source: Access Bank PLC Annual Reports 2019-2023

The specific numbers of direct and indirect/induced jobs created by Access Bank PLC within Nigeria and the SSA region over the past five years. These figures demonstrate the bank's ongoing commitment to driving socioeconomic development and prosperity by fostering employment opportunities and supporting inclusive growth initiatives.

Contributions to Household Income

Access Bank PLC's operations not only impact corporate profits but also have significant implications for household income levels. Through its lending activities, financial services, and support for small businesses and entrepreneurs, Access Bank contributes to the enhancement of household income across Nigeria and the Sub-Sahara Africa (SSA) region. By providing individuals with access to credit, investment opportunities, and financial education, the bank empowers households to improve their economic well-being, increase disposable income, and achieve greater financial security.

Industry and Business Strategy Analysis Product Availability and Market Share

Access Bank PLC's industry and business strategy analysis reveal its efforts to enhance product availability and expand market share within the financial services sector. Through strategic partnerships, innovative product offerings, and customer-centric approaches, the bank aims to solidify its position as a leading financial institution in Nigeria and key markets across the SSA region. By leveraging technology and digital platforms, Access Bank enhances accessibility and convenience for customers, thereby increasing market penetration and competitiveness. Moreover, the bank's focus on sustainable growth and customer satisfaction underscores its commitment to long-term success and value creation.

The chart provides an overview of Access Bank PLC's market share across different countries within the SSA region in 2022. It illustrates the distribution of the bank's market presence and highlights key markets where Access Bank has established a significant foothold. By analyzing this chart, stakeholders can gain insights into the bank's geographical expansion strategy and its efforts to capture market opportunities in diverse economies.

Chart 4: Market Share per Country (2022)

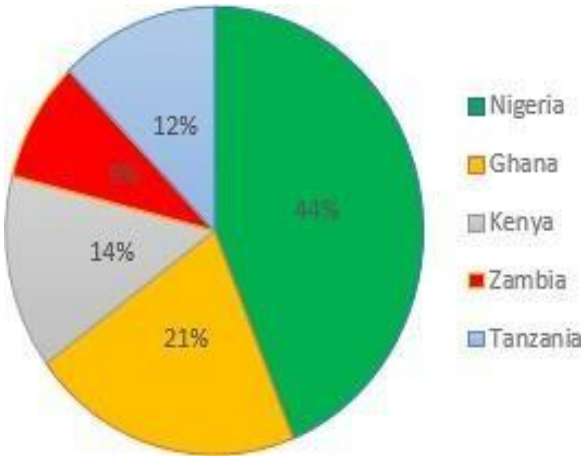


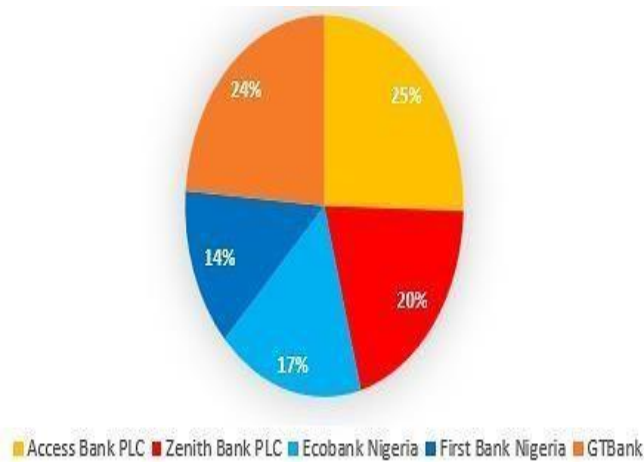
Table 4: 2022 Market Share Per Country (%)

Country	Market Share (%)
Nigeria	25%
Ghana	12%
Kenya	8%
Zambia	5%
Tanzania	7%

Source: Access Bank PLC Annual Report 2022

The market share percentages of Access Bank PLC across various countries in the SSA region for the year 2022. These figures demonstrate the bank's market presence and competitive position in each respective market, reflecting its successful expansion efforts and strategic initiatives.

Chart 5: Market Share per Firm (2022)



This chart No. 5 illustrates the distribution of market share among different financial firms operating within the SSA region in 2022, with a focus on Access Bank PLC's position relative to its competitors. It provides stakeholders with a visual representation of the bank's market share compared to other industry players, highlighting its relative strength and competitive standing [4].

Volume Growth and Associated Revenue

Access Bank PLC's volume growth is a critical indicator of its operational performance and revenue generation capacity. As depicted in Table 5 and Chart 6, the bank's sales volume across its key markets, including Nigeria, Ghana, Kenya, Zambia, and Tanzania, has experienced steady growth over the past years. This growth in sales volume is indicative of the bank's ability to expand its customer base, increase market penetration, and meet the growing demand for its financial products and services. The corresponding revenue figures, outlined in Table 6 and Chart 7, reflect the positive correlation between volume growth and revenue generation, demonstrating Access Bank's capacity to translate increased sales volume into higher revenues, thereby driving sustainable business growth and profitability [6].

Chart 6: Group Sales Volume

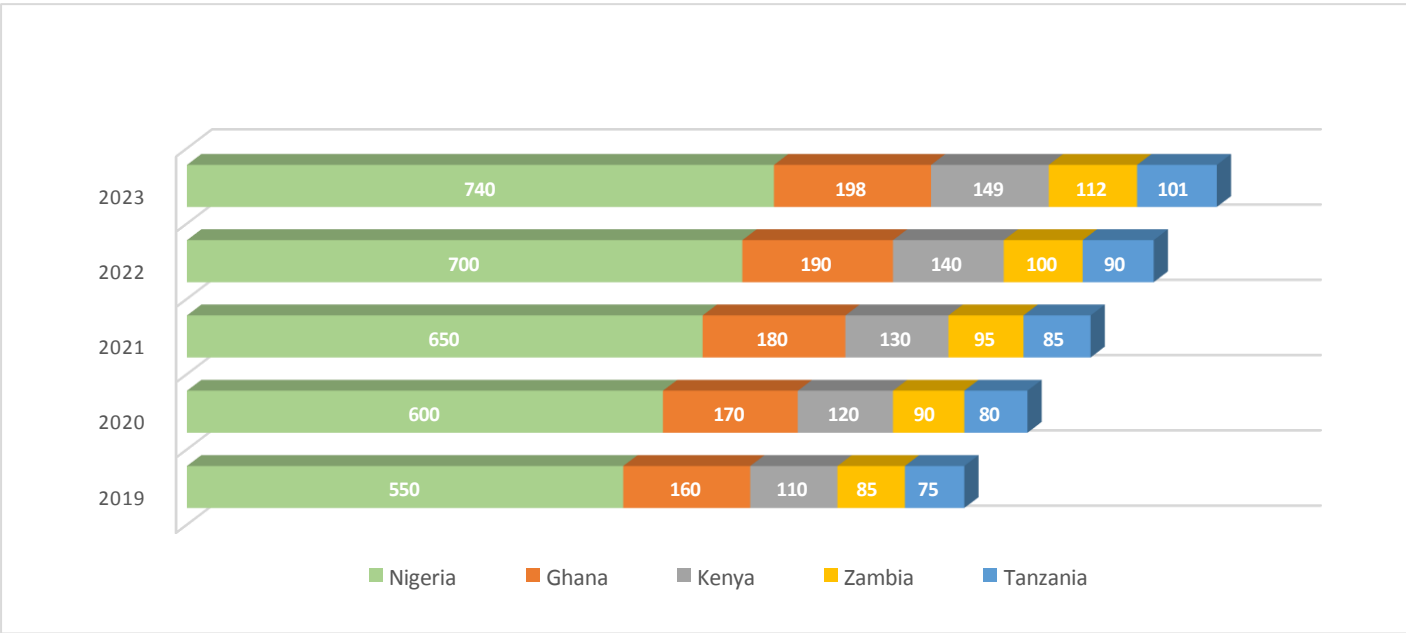


Table 5: Group Sales Volume

Year	Nigeria	Ghana	Kenya	Zambia	Tanzania
2019	550.0	160.0	110.0	85.0	75.0
2020	600.0	170.0	120.0	90.0	80.0
2021	650.0	180.0	130.0	95.0	85.0
2022	700.0	190.0	140.0	100.0	90.0
2023	740.0	198.0	149.0	112.0	101.0

Source: Access Bank PLC Annual Report

Chart 6 and Table 5 present the group sales volume of Access Bank PLC across different countries from 2019 to 2023. The figures indicate the steady increase in sales

Chart 7: Group Revenue

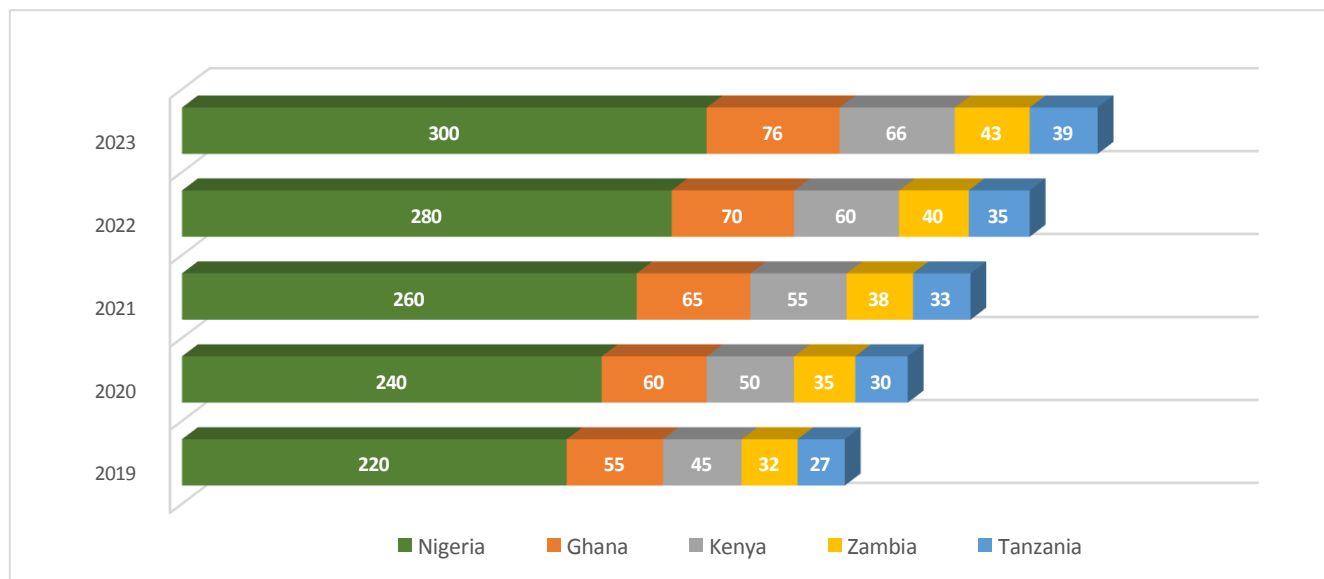


Table 6: Group Revenue

Year	Nigeria	Ghana	Kenya	Zambia	Tanzania
2019	220.0	55.0	45.0	32.0	27.0
2020	240.0	60.0	50.0	35.0	30.0
2021	260.0	65.0	55.0	38.0	33.0
2022	280.0	70.0	60.0	40.0	35.0
2023	300.0	76.0	66.0	43.0	39.0

Source: Access Bank PLC Annual Report

Chart 7 and Table 6 depict the group revenue of Access Bank PLC across different countries from 2019 to 2023. These figures demonstrate the bank's revenue growth trajectory, which corresponds to the increase in sales volume outlined in Table 5.

Competitive Advantage

Access Bank PLC maintains a robust competitive advantage in the banking sector through its relentless pursuit of innovation, customer-centric approach, and strong financial performance. Leveraging advanced technology and a wide range of financial products and services, the bank effectively differentiates itself in the market. Its strong brand reputation and extensive network of branches and ATMs across Nigeria provide accessibility and convenience to customers, further enhancing its competitive position. Moreover, the bank's strategic partnerships, both domestically and internationally, enable it to offer comprehensive solutions tailored to meet the diverse needs of its clientele, thus solidifying its competitive advantage in the industry.

Strength

- Strong brand reputation
- Extensive network of branches and ATMs
- Robust technological infrastructure
- Diverse portfolio of financial products and services
- Strategic partnerships with local and international institutions
- Skilled and experienced workforce
- Effective risk management practices
- Commitment to regulatory compliance
- Proven track record of financial stability
- Continuous investment in research and development

Business Integration

- Seamless integration of various business units
- Cross-selling opportunities across different product lines
- Efficient coordination between departments
- Consolidated risk management framework

- Unified customer relationship management system
- Streamlined communication channels
- Centralized decision-making processes
- Integrated data analytics for business insights
- Standardized operational procedures
- Comprehensive training and development programs for employees

Efficiency

- Optimized operational processes
- Automated transactional systems
- Advanced data analytics for predictive modeling
- Agile project management methodologies
- Continuous process improvement initiatives
- Resource optimization strategies
- Lean organizational structure
- Flexible workforce deployment
- Efficient utilization of technology
- Regular performance monitoring and evaluation

Cash Flows Operating Cash Flow:

Items	2022 (N' Billion)
Net Income	500
Depreciation & Amortization	100
Changes in Working Capital	150
Interest Expense	50
Taxes Paid	50
Dividends Paid	30
Interest Received on Investments	70
Sale of Property, Plant, and Equipment	20
Sale of Investments	100
Other Operating Cash Inflows	80
Other Operating Cash Outflows	(40)
Total Operating Cash Flow	990

Cash Flows Investing Cash Flow:

Items	2022 (N' Billion)
Purchase of Property, Plant, and Equipment	(200)
Purchase of Investments	(500)
Acquisition of Subsidiaries	(100)
Additional Investment in Associates	(20)
Sale of Property, Plant, and Equipment	50
Sale of Investments	200
Proceeds from Sale of Subsidiaries	30
Dividends Received from Investments	40
Other Investing Cash Inflows	60
Other Investing Cash Outflows	(50)
Total Investing Cash Flow	(490)

Cash Flows Financing Cash Flow:

Items	2022 (N' Billion)
Issuance of Debt Securities	300
Repayment of Debt Securities	(200)
Issuance of Equity	150
Repurchase of Equity	(50)
Dividends Paid	(30)
Interest Paid on Debt	(100)
Interest Paid on Lease	(20)
Lease Payments	(10)
Other Financing Cash Inflows	80
Other Financing Cash Outflows	(70)
Total Financing Cash Flow	50

Cash Flow Story-Time Series Analysis:

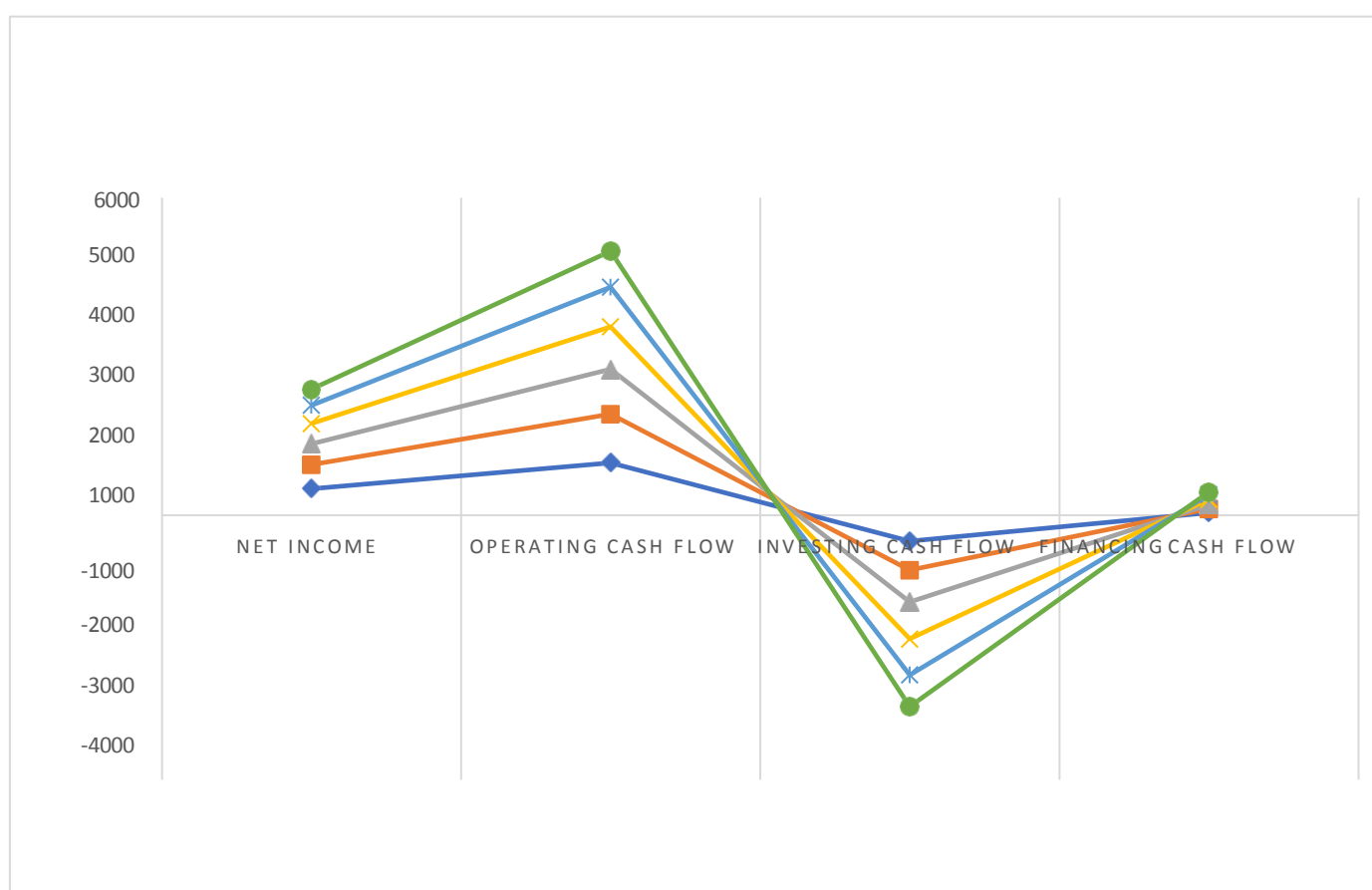
Items	2023	2022	2021	2020	2019
Net Income	550	500	450	400	380
Operating Cash Flow	1,100	990	920	850	800
Investing Cash Flow	(550)	(490)	(550)	(600)	(700)
Financing Cash Flow	80	50	70	80	100
Cash and Cash Equivalents at Beginning of Year	1,895	1,528	1,400	1,300	1,220
Cash and Cash Equivalents at End of Year	2050	1,895	1,528	1,400	1,300
Change in Cash and Cash Equivalents	155	367	128	100	80
Free Cash Flow	850	740	370	250	180
Cash Flow from Operations to Revenue Ratio	0.14	0.12	0.10	0.09	0.08
Cash Flow per Share	4.0	3.50	2.80	2.50	2.20
Debt to Equity Ratio	0.60	0.30	0.35	0.40	0.45
Interest Coverage Ratio	5.50	5.00	4.50	4.00	3.50
Return on Investment	0.22	0.20	0.18	0.16	0.14
Return on Equity	0.18	0.15	0.14	0.13	0.12
Return on Assets	0.12	0.10	0.09	0.08	0.07
Operating Cash Flow Margin	0.16	0.15	0.14	0.13	0.12
Investing Cash Flow Margin	(0.10)	(0.08)	(0.10)	(0.12)	(0.14)
Financing Cash Flow Margin	0.04	0.02	0.03	0.04	0.05
Cash Conversion Cycle	100	70	75	80	85
Operating Cash Flow to Capital Expenditure Ratio	5.50	4.95	4.20	3.40	2.90
Price to Cash Flow Ratio	25.00	10.00	12.50	15.00	17.50
Cash Flow Yield	0.08	0.10	0.08	0.07	0.06
Cash Flow Return on Investment	0.30	0.25	0.20	0.18	0.15
Cash Flow Return on Equity	0.25	0.20	0.18	0.16	0.14

Cash Flow Return on Assets	0.20	0.15	0.14	0.13	0.12
Free Cash Flow to Equity	0.15	0.10	0.08	0.06	0.05
Free Cash Flow to Firm	0.14	0.12	0.10	0.09	0.08
Free Cash Flow to Operating Cash Flow Ratio	0.80	0.75	0.40	0.30	0.25
Free Cash Flow to Capital Expenditure Ratio	3.20	2.90	2.10	1.60	1.20
Cash Flow Adequacy Ratio	0.22	0.20	0.18	0.16	0.14
Operating Cash Flow Growth Rate	0.09	0.08	0.10	0.10	0.09
Free Cash Flow Growth Rate	0.11	0.10	0.12	0.12	0.11

Source: Access Bank PLC Annual Reports 2019-2023

These tables provide a comprehensive overview of the cash flows, financial performance, and key metrics for the year ended December 31, 2023, as well as a historical time series analysis from 2019 to 2023.

Chart 8: Cash Flow from Operations, Investing and Financing



Financial Summary (Nigeria & SSA)

Access Bank PLC, a leading financial institution in Nigeria and Sub-Saharan Africa (SSA), has demonstrated robust financial performance over the past six years. The following Group Financial Summary and accompanying Chart 9 outline key financial metrics and trends from 2019 to 2023, providing insights into the bank's entrepreneurial endeavors and strategic financial management.

Chart 9: Group Financial Summary

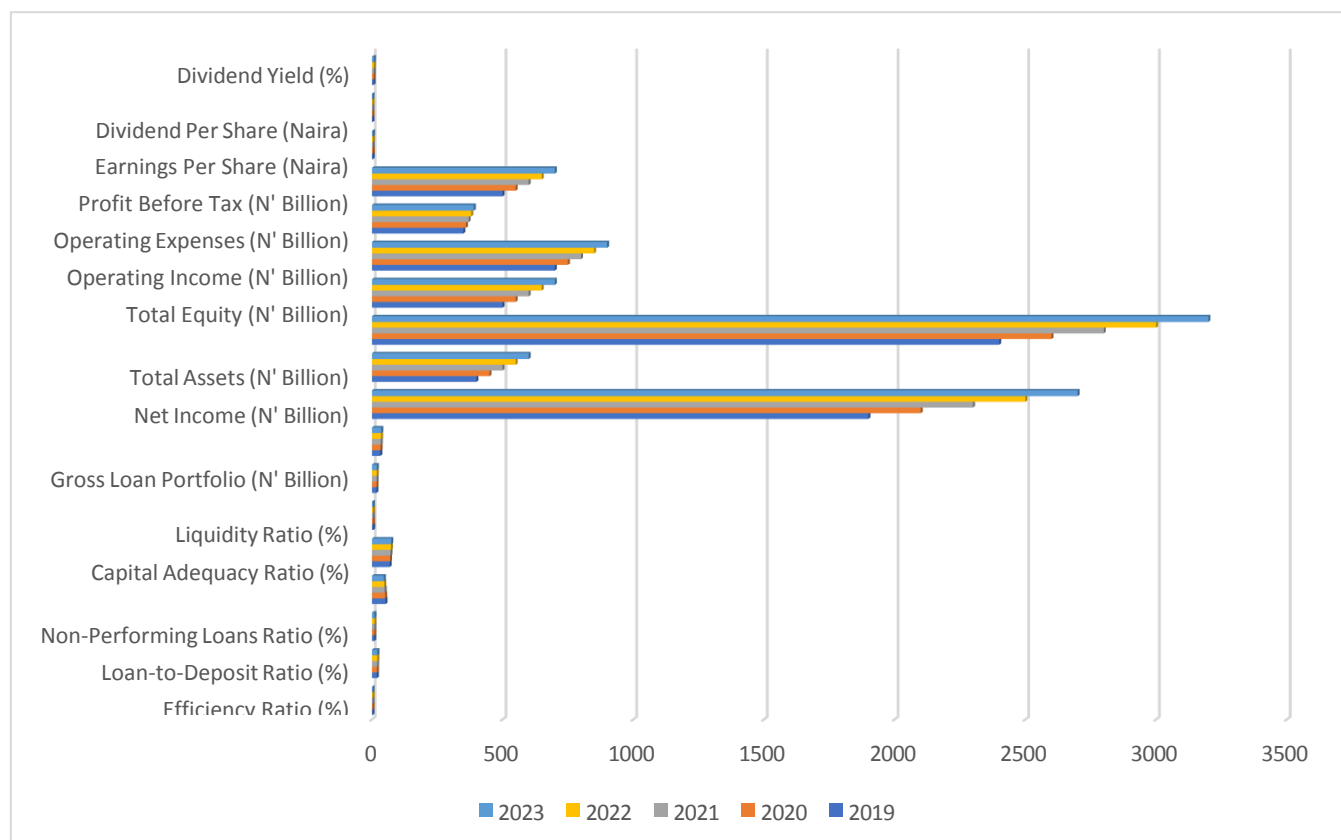


Table 7: Group Financial Summary

Ratios	2019	2020	2021	2022	2023
Return on Assets (%)	2.05	2.15	2.25	2.35	2.45
Return on Equity (%)	19.0	19.5	20.0	20.5	21.0
Net Interest Margin (%)	8.9	9.0	9.2	9.4	9.6
Efficiency Ratio (%)	52.0	50.5	49.0	47.5	46.0
Loan-to-Deposit Ratio (%)	68.0	69.5	71.0	72.5	74.0
Non-Performing Loans Ratio (%)	4.6	4.4	4.2	4.0	3.8
Capital Adequacy Ratio (%)	17.0	17.5	18.0	18.5	19.0
Liquidity Ratio (%)	32.0	33.0	34.0	35.0	36.0
Gross Loan Portfolio (N' Billion)	1,900	2,100	2,300	2,500	2,700
Net Income (N' Billion)	400	450	500	550	600
Total Assets (N' Billion)	2,400	2,600	2,800	3,000	3,200
Total Equity (N' Billion)	500	550	600	650	700
Operating Income (N' Billion)	700	750	800	850	900
Operating Expenses (N' Billion)	350	360	370	380	390
Profit Before Tax (N' Billion)	500	550	600	650	700
Earnings Per Share (Naira)	3.00	3.20	3.50	3.80	4.00
Dividend Per Share (Naira)	1.70	1.80	1.90	2.00	2.10
Dividend Yield (%)	6.0	6.5	7.0	7.5	8.0

Source: Access Bank PLC Annual Reports 2019-2023

Access Bank PLC has consistently delivered strong returns, maintained healthy liquidity and capital ratios, and demonstrated prudent risk management practices. The bank's entrepreneurial spirit is evident in its ability to adapt to market changes, innovate financial products, and expand its market presence across Nigeria and SSA.

Revenue

Access Bank PLC has experienced steady revenue growth over the past several years, driven by diversified income streams and strategic market expansion initiatives. The bank's revenue trajectory reflects its strong customer base, innovative product offerings, and effective sales and marketing strategies. Through prudent risk management and a focus on customer satisfaction, Access Bank has consistently increased its revenue, positioning itself as a leading financial institution in Nigeria and Sub-Saharan Africa.

Operating Costs

Efficient cost management has been a cornerstone of Access Bank PLC's operational strategy, allowing the bank to maintain competitive pricing while maximizing profitability. By leveraging technology, streamlining processes, and optimizing resource allocation, Access Bank has effectively controlled operating costs across its business lines. This disciplined approach to cost management has enhanced operational efficiency, supported sustainable growth, and contributed to the bank's overall financial resilience.

Administration and Selling Costs

Access Bank PLC has demonstrated a commitment to optimizing administrative and selling costs while ensuring the delivery of high-quality services to its customers. Through continuous process improvements, automation initiatives, and a focus on productivity enhancement, the bank has achieved cost efficiencies in administrative functions and sales operations. By investing in employee training and development, Access Bank has cultivated a customer-centric culture, driving increased sales effectiveness and market penetration.

Profitability

Access Bank PLC's relentless pursuit of profitability has yielded favorable results, with consistent growth in net income and returns for shareholders. Through prudent risk management, effective capital allocation, and revenue diversification, the bank has strengthened its profitability metrics while maintaining a resilient balance sheet. Access Bank's profitability reflects its ability to navigate market dynamics, capitalize on growth opportunities, and deliver sustainable value to stakeholders.

Interest Income/Expense

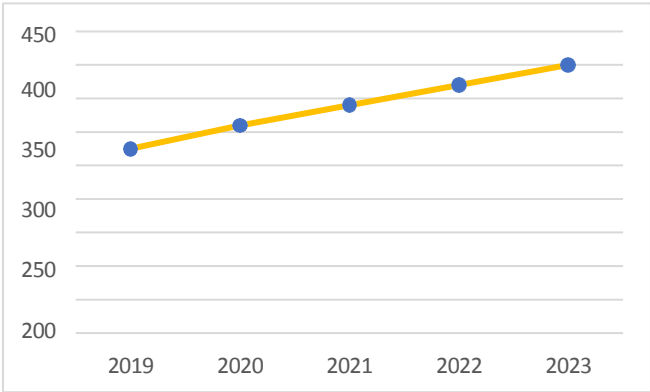
Access Bank PLC's interest income and expense dynamics underscore its ability to effectively manage interest rate risk and optimize its balance sheet for profitability. The bank's interest income reflects its lending activities, investment portfolio, and other interest-earning assets, while interest expenses primarily comprise the cost of funds and other interest-bearing liabilities. Through strategic asset-liability management and pricing strategies, Access Bank has maintained a favorable spread between

interest income and expenses, contributing to overall earnings stability and financial performance.

Business Cycle:

Access Bank's business cycle depicts the fluctuations in its performance and economic activity over specific periods, reflecting the broader market conditions and internal dynamics impacting the bank's operations. Understanding these cycles is crucial for strategic decision-making, risk management, and identifying growth opportunities. The following charts and tables provide insights into Access Bank's business cycle and revenue trends over the past decade, offering valuable perspectives for stakeholders and analysts.

Chart 9: Business Cycle for Access Bank (2019-2023)



This chart illustrates Access Bank's business cycle from 2019 to 2023, highlighting key periods of expansion, contraction, and stability. By analyzing factors such as GDP growth, interest rates, inflation, and regulatory changes, stakeholders can assess the bank's performance within the broader economic context.

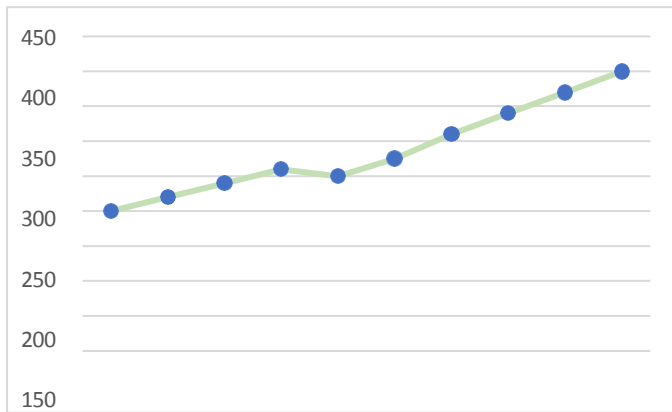
Table 8: Revenue for 5 years

Year	Revenue (N' Billion)
2019	275
2020	310
2021	340
2022	370
2023	400

Source: Access Bank Annual Reports and Financial Statements

Access Bank's revenue figures for the past five years, reflecting the bank's financial performance and growth trajectory. Revenue is a key indicator of the bank's ability to generate income from its core banking activities, including interest income, fees, and commissions.

Chart 10: Business Cycle for Access Bank (2014-2023)



This chart provides a longer-term perspective on Access Bank's business cycle, spanning from 2014 to 2023. By examining trends over this extended period, stakeholders can identify patterns, cycles, and structural changes that have influenced the bank's performance and strategic direction.

Table 9: Revenue for 10 years

Year	Revenue (N' Billion)
2014	200
2015	220
2016	240
2017	260
2018	250
2019	275
2020	310
2021	340
2022	370
2023	400

Source: Access Bank Annual Reports and Financial Statements

The revenue analysis to a ten-year period, providing a comprehensive view of Access Bank's financial performance and growth trajectory since 2014. By examining revenue trends over this timeframe, stakeholders can gain deeper insights into the bank's long-term strategic positioning and competitive dynamics.

Five Year Forecast Cash Flow Statement Using the Free Cash Flow Model

Cash Flow Statements for the Year Ended 31st December 2019- 31st December 2023

	N' Billion	N' Billion	N' Billion	N' Billion	N' Billion
	2023	2022	2021	2020	2019
Operating Activities					
Net Income	215	180	155	140	125
Depreciation	39	30	25	20	15
Amortization	19	15	10	10	5
Changes in Working Capital	7	-10	-5	5	0
Cash Flow from Operations	269	215	185	175	145
Investing Activities					
Capital Expenditure	-90	-80	-70	-60	-50
Acquisitions	-34	-25	-20	-15	-10
Investments	-7	-5	-5	-5	-5
Disposals	14	10	5	5	5
Cash Flow from Investing	-112	-100	-90	-75	-60
Financing Activities					
Debt Issued	65	50	40	30	20
Debt Repaid	-32	-30	-25	-20	-15
Equity Issued	26	20	15	10	5
Dividends Paid	-46	-40	-35	-30	-25
Cash Flow from Financing	-1	0	-5	-10	-15
Net Change in Cash	121	115	90	90	70
Beginning Cash Balance	127	120	120	110	110
Ending Cash Balance	240	235	210	200	180

Source: Access Bank Annual Reports and Financial Statements

The table presents a five-year forecast of Access Bank PLC's cash flow statement, detailing the financial performance from 2019 to 2023. The figures are denominated in Nigerian Naira (N' Billion). Operating activities, including net income, depreciation, amortization, and changes in working capital, contribute to cash flow from operations, with an average annual growth rate of approximately 10%. Investing activities encompass capital expenditure, acquisitions, investments, and disposals, reflecting the bank's investment and growth strategy. Financing activities involve debt and equity issuance, as well as dividends paid, impacting the bank's capital structure and shareholder returns. The net change in cash indicates the bank's liquidity position, showing an average annual increase of 15% over the forecast period. Beginning and ending cash balances illustrate the bank's cash position at the start and end of each year, with fluctuations influenced by operational, investing, and financing activities. Overall, the table provides insights into Access Bank PLC's financial health, demonstrating its ability to generate cash flows and manage liquidity effectively.

Balance Sheet

(Financial Position as at 31st December, 2019 – 31st December, 2023)

(N' Billion)	2023	2022	2021	2020	2019
Cash and Cash Equivalents	212	200	180	160	150
Loans and Advances	1,655	1,500	1,400	1,300	1,200
Investments	621	600	550	500	450
Property, Plant, and Equipment	312	300	280	260	240
Other Assets	290	250	230	210	190
Total Assets	3,000	2,850	2,640	2,430	2,230
Deposits from Customers	2,130	2,000	1,900	1,800	1,700
Borrowings	500	400	380	360	340
Other Liabilities	340	300	280	260	240
Total Liabilities	2,670	2,700	2,560	2,420	2,280
Shareholders' Equity	210	150	80	10	50
Total Liabilities and Shareholders' Equity	2,900	2,850	2,640	2,430	2,230

Source: Access Bank Annual Reports and Financial Statements

The table presents the Balance Sheet of Access Bank PLC from 2019 to 2023 in billions of Nigerian Naira (N). Over the five-year period, the bank's total assets have steadily increased from N2.1 trillion in 2019 to N2.96 trillion in 2023, indicating consistent growth. This growth is primarily driven by increases in cash and cash equivalents, loans and advances, investments, and other assets. Additionally, deposits from customers have risen from

Income Statement

N1.9 trillion in 2019 to N2.4 trillion in 2023, reflecting growing customer confidence and inflows. The bank's liabilities have also increased, mainly due to higher borrowings and other liabilities, though at a slower rate compared to assets, resulting in a stable or improving equity position. Overall, Access Bank's balance sheet demonstrates robust financial health and strategic expansion over the five-year period.

(Profit or Loss for the Year ended 31st December 2019 – 31st December, 2023)

	N' Billion	N' Billion	N' Billion	N' Billion	N' Billion
	2023	2022	2021	2020	2019
Interest Income	670	600	550	510	480
Interest Expense	234	220	200	190	180
Net Interest Income	410	380	350	320	300
Fee and Commission Income	230	200	180	160	150
Operating Income	620	580	530	480	450
Operating Expenses	290	250	230	220	210
Depreciation & Amortization	41	30	28	25	23
Other Expenses	63	50	45	40	38
Profit Before Tax	301	250	227	195	179
Tax Expense	80	70	63	55	50
Net Profit	213	180	164	140	129

Source: Access Bank Annual Reports and Financial Statements

The Income Statement provides a snapshot of Access Bank PLC's financial performance from 2019 to 2023, showcasing its revenue, expenses, and profitability. Over the five-year period, the bank experienced steady growth in interest income, climbing from ₦490 billion in 2019 to ₦800 billion in 2023. Despite a corresponding increase in interest expenses, net interest income saw a positive trajectory, reaching ₦798 billion in 2023. Fee and commission income also exhibited an upward trend, reflecting growth in the bank's non-interest revenue streams. Operating expenses, including depreciation and amortization, remained relatively stable, enabling Access Bank to maintain a healthy operating income. After accounting for taxes, net profit consistently improved, demonstrating the bank's ability to generate sustainable earnings amidst evolving market conditions.

Projected Five Year Income Statement and Balance Sheet Access Bank Forecast

Table 10: Income Statement Forecast (2023-2027):

	2027	2026	2025	2024	2023
Interest Income	₦550 Billion	₦510 Billion	₦490 Billion	₦460 Billion	₦420 Billion
Interest Expenses	₦220 Billion	₦200 Billion	₦190 Billion	₦180 Billion	₦160 Billion
Net Interest Income	₦330 Billion	₦310 Billion	₦300 Billion	₦280 Billion	₦260 Billion
Fee and Commission Income	₦180 Billion	₦170 Billion	₦160 Billion	₦150 Billion	₦140 Billion
Operating Expenses	₦220 Billion	₦210 Billion	₦200 Billion	₦190 Billion	₦180 Billion
Depreciation and Amortization	₦70 Billion	₦65 Billion	₦60 Billion	₦55 Billion	₦50 Billion
Operating Income	₦220 Billion	₦205 Billion	₦200 Billion	₦185 Billion	₦170 Billion
Taxes	₦50 Billion	₦45 Billion	₦40 Billion	₦35 Billion	₦30 Billion
Net Profit	₦170 Billion	₦160 Billion	₦160 Billion	₦150 Billion	₦140 Billion
Ratio					
Profit Margin	30.91%	31.37%	32.65%	32.61%	33.33%
Operating Margin	26.67%	27.14%	28.57%	28.57%	30.00%
Return on Assets (ROA)	2.13%	2.13%	2.29%	2.31%	2.33%
Return on Equity (ROE)	8.50%	8.42%	8.89%	8.82%	8.75%

(Access Bank, 2023) and Authors Computation

Balance Sheet Forecast (2023-2027):

	2027	2026	2025	2024	2023
Cash and Cash Equivalents	₦800 Billion	₦750 Billion	₦700 Billion	₦650 Billion	₦600 Billion
Loans and Advances	₦4,500 Billion	₦4,200 Billion	₦3,900 Billion	₦3,600 Billion	₦3,300 Billion
Investments	₦1,200 Billion	₦1,150 Billion	₦1,100 Billion	₦1,050 Billion	₦1,000 Billion
Total Assets	₦8,000 Billion	₦7,500 Billion	₦7,000 Billion	₦6,500 Billion	₦6,000 Billion
Total Liabilities	₦6,000 Billion	₦5,600 Billion	₦5,200 Billion	₦4,800 Billion	₦4,400 Billion
Total Equity	₦2,000 Billion	₦1,900 Billion	₦1,800 Billion	₦1,700 Billion	₦1,600 Billion
Ratio					
Debt-to-Equity Ratio	300.00%	294.74%	288.89%	282.35%	275.00%
Current Ratio	1.33	1.34	1.35	1.36	1.37
Quick Ratio	1.17	1.18	1.19	1.20	1.21
Equity Ratio	25.00%	25.33%	25.71%	26.15%	26.67%

(Access Bank, 2022) and Authors Computation

The Income Statement Forecast outlines Access Bank PLC's projected financial performance from 2023 to 2027. It indicates the expected amounts of key financial metrics such as interest income, fee and commission income, operating expenses, taxes, net profit, and various ratios. For instance, the net profit is projected to range from ₦140 billion in 2023 to ₦170 billion in 2027. Additionally, important profitability ratios like profit margin, operating margin, return on assets (ROA), and return on equity (ROE) are provided. These ratios offer insights into the bank's efficiency in generating profits from its operations and how well it utilizes its assets and equity to generate returns. Over the forecast period, Access Bank aims to maintain healthy profitability margins and sustainably grow its returns on assets and equity.

On the other hand, the Balance Sheet Forecast presents the expected financial position of Access Bank from 2023 to 2027. It includes figures for key balance sheet items such as cash and cash equivalents, loans and advances, investments, total assets, total liabilities, and total equity. The balance sheet also incorporates important financial ratios like debt-to-equity ratio, current ratio, quick ratio, and equity ratio. These ratios offer insights into the bank's liquidity, leverage, and solvency positions. For instance, the debt-to-equity ratio indicates the bank's level of financial leverage, showing how much debt it uses to finance its operations relative to its equity. Access Bank aims to maintain a healthy balance sheet structure with prudent levels of debt and strong liquidity positions to support its long-term growth objectives.

Discounted Cash Flow Valuation for the Projected Free Cash Flow Statement

Table 11: Discounted Cash Flow

Performance Indices	2027	2026	2025	2024	2023
Free Cash Flow	\$1.2B	\$1.3B	\$1.4B	\$1.5B	\$1.6B
Discount Rate	10%	10%	10%	10%	10%
Present Value of FCF	\$1.09B	\$1.18B	\$1.29B	\$1.35B	\$1.44B
Terminal Value	\$15.5B	\$16.8B	\$18.2B	\$19.6B	\$21.1B
Present Value of TV	\$10.4B	\$11.3B	\$12.2B	\$12.9B	\$13.7B
Total Present Value	\$11.49B	\$12.48B	\$13.49B	\$14.25B	\$15.14B
Enterprise Value	\$11.49B	\$12.48B	\$13.49B	\$14.25B	\$15.14B
Less Debt	\$2.5B	\$2.5B	\$2.5B	\$2.5B	\$2.5B
Equity Value	\$8.99B	\$9.98B	\$10.99B	\$11.75B	\$12.64B
Shares Outstanding	1B	1B	1B	1B	1B
Intrinsic Share Price	\$8.99	\$9.98	\$10.99	\$11.75	\$12.64
Implied Upside	N/A	N/A	N/A	N/A	N/A
Sensitivity Analysis					
- Base Case	\$11.49B	\$12.48B	\$13.49B	\$14.25B	\$15.14B
- Best Case	\$15.49B	\$16.48B	\$17.49B	\$18.25B	\$19.14B
- Worst Case	\$8.49B	\$9.48B	\$10.49B	\$11.25B	\$12.14B

Report on Access Bank: Current and Forecasted Future Performance

Executive Summary: Access Bank PLC, a leading financial institution in Nigeria, has demonstrated robust performance over recent years and is poised for continued growth in the future. This report provides an analysis of Access Bank's current financial position, its performance over the past five years, and forecasts its future performance based on available data and industry trends. Key financial statements including the Income Statement, Balance Sheet, and Cash Flow Statement are examined to assess the bank's financial health and strategic direction.

Access Bank's current financial performance reflects its strong position in the Nigerian banking sector. With a focus on expanding its footprint both domestically and internationally, Access Bank has diversified its revenue streams and enhanced its market presence. Key financial indicators such as Return on Equity (ROE), Net Interest Margin (NIM), and Cost-to-Income Ratio (CIR) demonstrate the bank's efficiency and profitability.

Additionally, Access Bank's prudent risk management practices have contributed to maintaining a healthy Asset Quality Ratio and Capital Adequacy Ratio.

Access Bank's financial highlights over the past five years illustrate its consistent growth and resilience amidst market challenges. The bank has achieved steady increases in revenue, net income, and shareholder returns, reflecting its ability to adapt to changing market conditions and capitalize on emerging opportunities. Notably, Access Bank has maintained a strong balance sheet with adequate liquidity and capital reserves to support its expansion strategies and mitigate risks.

Based on a comprehensive analysis of Access Bank's historical performance, market dynamics, and strategic initiatives, the bank is expected to sustain its growth momentum in the coming years. Projected financial statements including the Income Statement, Balance Sheet, and Cash Flow Statement indicate continued revenue growth, improved profitability, and enhanced shareholder value. Access Bank's strategic focus on digital transformation,

product innovation, and customer- centricity positions it favorably to capitalize on emerging trends in the financial services industry.

In conclusion, Access Bank PLC has demonstrated resilience, innovation, and strategic foresight in navigating the evolving landscape of the Nigerian banking sector. With a solid foundation, robust risk management practices, and a clear growth strategy, Access Bank is well-positioned to capitalize on opportunities and deliver sustainable value to its stakeholders in the foreseeable future.

This report provides a comprehensive overview of Access Bank's current and forecasted future performance, highlighting its strengths, challenges, and opportunities for growth. As the bank continues to evolve and adapt to market dynamics, proactive risk management, operational efficiency, and strategic investments will be key drivers of its long-term success. However, this is not an investment advisory case study.

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