

## ACCESS HOLDINGS PLC

### Strong Q3'25 results fail to offset 9M'25 profit slump

Access Holdings Plc (NGX: ACCESSCORP; TP— UR\*) reported a stellar Q3'25 performance, buoyed by a strong rebound in Non-Interest Revenue (NIR). The Group's Q3'25 Profit After Tax (PAT) of N231.6 billion (+31.3% YoY), surpassed its H1'25 PAT by N15.7 billion and proved supportive for the uptick in 9M'25 Profit Before Tax (PBT). Despite the 10.4% increase in 9M'25 PBT to N616.2 billion, PAT declined marginally by 2.2% YoY to N447.5 billion, reflecting a heavier tax burden in the period.

In 9M'25, Net-Interest Income (NII) climbed to N1.3 trillion (+48.9% YoY), driven by a sturdy growth in interest income (+21.1% YoY), and a slower increase in interest expense (+6.0% YoY) as cost-of-funds moderated by 2.1ppts to 6.2%. Conversely, NIR contracted by 7.8% YoY to N871.8 billion, as a sharp 53.4% YoY drop in fair value and FX gains offset the robust growth in net fee & commission income (+44.3% YoY to N475.9 billion).

Operating expense (OPEX) increased by 7.1% to N1.2 trillion, largely driven by higher personnel expenses and AMCON surcharge. Meanwhile, net impairment charge on financial assets surged by 141.5% YoY, on the back of a N246.8 billion impairment charge on loans—likely tied to the clean-up of the bank's forbearance exposure—pushing cost of risk to 2.6% (vs 1.0% in 9M'24).

Nonetheless, the 19.0% YoY growth in operating income to N2.1 trillion was sufficient to absorb cost pressures, allowing PBT to expand by double digits. However, the sharp 68.0% YoY increase in income tax expense to N168.7 billion, reflecting the impact of lower tax-exempt income, weighed on overall profitability. Consequently, annualized ROAA and ROAE declined to 1.3% (vs. 1.8%) and 15.4% (vs. 22.2%), respectively, while EPS dropped 35% YoY to N8.00, impacted by the enlarged share base (weighted average shares: 53.3m vs. 35.5m in 9M'24).

In Q3'25, ACCESSCORP's earnings rebound was underpinned by a sharp 83.3% YoY surge in NIR, driven by a 90.3% YoY increase in net fee & commission income to N238.3 billion—its highest quarterly run-rate yet (Q1: N146.2 billion; Q2: N91.4 billion)—and stronger fair value & FX gains (+48.1% YoY). Coupled with the 4.4% YoY decline in OPEX to N355.3 billion, these tailwinds supported the 31.3% YoY rise in PAT to N231.6 billion during the quarter.

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\*UR— Under Review

**9M'25 Earnings Breakdown**

₦'billion	9M'25	9M'24	YoY	FY'25E	% of FY'25E
<b>Gross Earnings</b>	<b>3,575.2</b>	<b>3,414.6</b>	<b>4.7%</b>	<b>5,669.0</b>	<b>63.1%</b>
Interest income	2,904.2	2,397.9	21.1%	4,168.3	69.7%
Interest expense	(1,646.3)	(1,553.1)	6.0%	(3,031.6)	54.3%
Net interest income	1,257.9	844.8	48.9%	1,136.6	110.7%
Net impairment charge	(350.0)	(144.9)	141.5%	(584.5)	59.9%
Non-interest income	871.8	945.1	-7.8%	1,500.7	58.1%
Operating Expenses	(1,163.5)	(1,086.8)	7.1%	(1,482.2)	78.5%
<b>Profit before tax</b>	<b>616.2</b>	<b>558.2</b>	<b>10.4%</b>	<b>570.6</b>	<b>108.0%</b>
Income tax expense	(168.7)	(100.4)	68.0%	(102.7)	164.2%
<b>Profit for the period</b>	<b>447.5</b>	<b>457.7</b>	<b>-2.2%</b>	<b>467.9</b>	<b>95.6%</b>

**Ratio Analysis**

Net Interest Margins (NIM)	5.8%	5.9%
Cost of Risk (CoR)	2.6%	1.0%
Cost-to-income (CIR)	54.6%	60.7%
Annualised ROAA	1.3%	1.8%
Annualised ROAE	15.4%	22.2%
EPS (Naira)	8.0	12.4
P/B (x)	0.4x	
10-yr average P/B (x)	0.4x	

**Q3'25 Earnings Breakdown**

₦'billion	Q3'25	Q3'24	YoY	Q2'25	QoQ
<b>Gross Earnings</b>	<b>1,402.1</b>	<b>1,222.7</b>	<b>14.7%</b>	<b>1,116.0</b>	<b>25.6%</b>
Interest income	859.9	925.8	-7.1%	1,063.7	-19.2%
Interest expense	(586.6)	(594.4)	-1.3%	(299.2)	96.0%
<b>Net interest income</b>	<b>273.3</b>	<b>331.5</b>	<b>-17.5%</b>	<b>764.4</b>	<b>-64.2%</b>
Net impairment charge	(119.9)	(22.2)	439.9%	(208.3)	-42.4%
Non-interest income	497.6	271.5	83.3%	1.3	36922.6%
Operating Expenses	(355.3)	(371.5)	-4.4%	(459.7)	-22.7%
<b>Profit before tax</b>	<b>295.7</b>	<b>209.3</b>	<b>41.3%</b>	<b>97.8</b>	<b>202.4%</b>
Income tax expense	(64.0)	(32.8)	95.0%	(64.6)	-0.9%
<b>Profit for the period</b>	<b>231.6</b>	<b>176.4</b>	<b>31.3%</b>	<b>33.2</b>	<b>598.5%</b>

Source: CapIQ, NGX, CardinalStone Research

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