



AG Mortgage Bank Plc

# **Corporate Strategy 2025 -2030**

# AG Mortgage Bank Plc

# Moving Forward

## Strategic Plan 2025 - 2030

### Introduction

Our Bank is optimistic about the future. We believe we can play a major role in making a difference to the lives of millions of Nigerians by making home ownership accessible to them. This document summarises our strategy for the immediate future and the goals we will be working to achieve by 2030, when we expect to be Nigeria's No. 1 Housing Finance Group.

Welcome to AG Mortgage Bank Plc. Welcome to the Future.



# Our Vision

The long-term Vision of AG Mortgage Bank Plc is to:

**“Be the No. 1 housing finance group in Nigeria, providing exceptional customer service and driving sustainable growth and economic development in the communities we serve”**



# Our Strategic Goals to 2030 – **The High 5s**

Towards our long-term vision of being the No. 1 Housing Finance Group in Nigeria, we will be focused on achieving the following 5 Strategic Goals.

## **Organisational Transformation:**

We will have completed the transformation of the Company into a group structure delivering a wider range of high-quality services across the housing value chain, which meet the needs of our customers and achieve improved operational and financial performance.



## **A Sustainable Capital Base:**

We will maintain a strong focus on increasing the capital available to the Bank to effectively carry on its business with an adequate cushion against inherent risks. We will have raised a further N10bn equity capital, increasing the bank's Total Equity to N21.6bn by Dec 2030. In addition, the Bank will explore opportunities for Tier 2 Capital investment primarily from Development Finance Institutions.



## **Growth:**

By December 2030, we will have grown our Loans and Advances Book from N14.2bn (12/2023) to N35.4bn, representing a 20% YoY growth to become the No. 1 Mortgage Provider in the Nigerian Market.



## **Impact:**

Be the leading enabler of green sustainable housing, with at least 40% of homes we finance achieving the IFC Edge or similar certification.

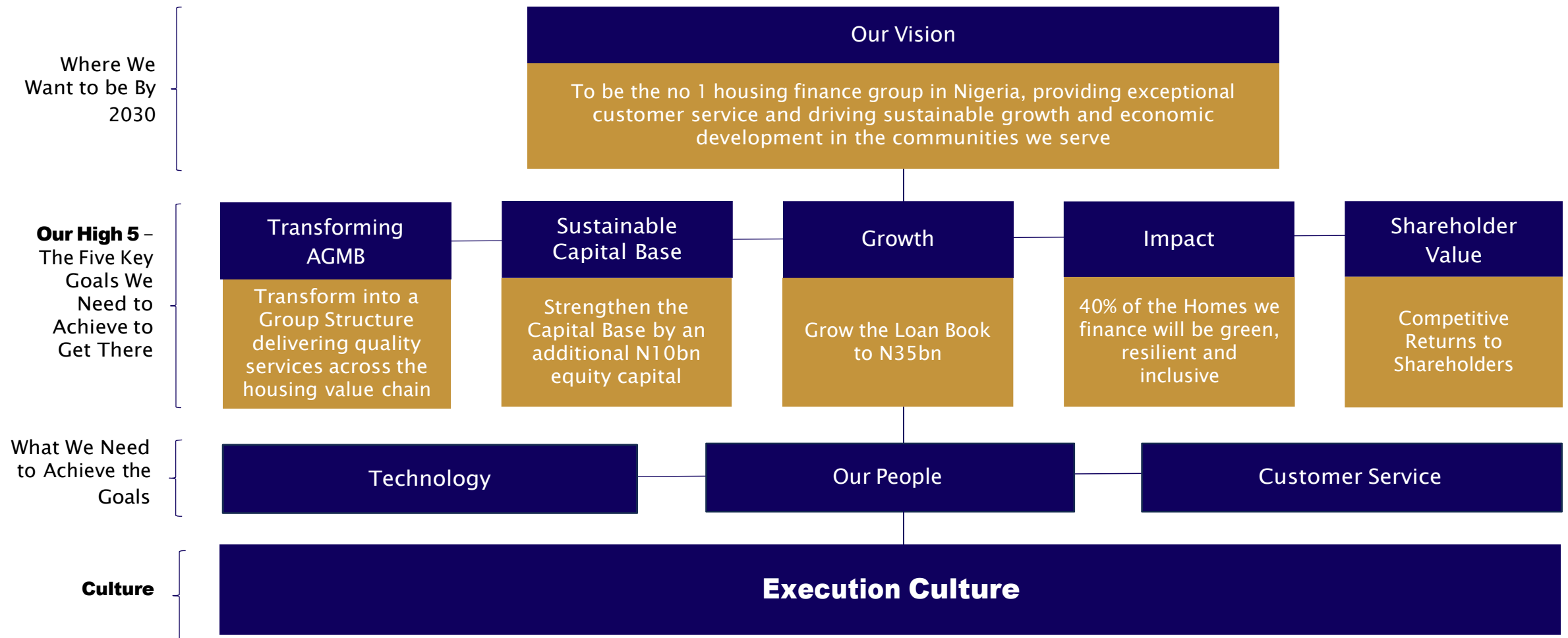


## **Shareholder Value:**

We will deliver economic return to our Shareholders. Starting from December 2026, we will achieve a ROE that exceeds the industry average.



# Strategy Map



# Strategic Goal 1 – **Organisational Transformation**

By December 2030, we would have completed the restructuring of the Bank into a group of entities providing a full suite of housing finance-related services to our customers, including:



## Strategic Goal 2 – Sustainable Capital Base

We will have raised a further N10bn equity capital, increasing the Bank's Total Equity to N21.6bn by Dec 2030. Towards the pursuit of this goal, we will:



## Strategic Goal 3 – Growth

By December 2030, we will have grown our Loans and Advances Book from N14.2bn (12/2023) to N35.4 representing a 20% YoY growth to become the No. 1 Mortgage Provider in the Nigerian Market. To achieve this, we will:



Develop a robust online platform for mortgage applications, approvals, and customer service, making it easier for customers to access services. Progressively migrate the customer interface to an online platform;



Develop a Strategic partnership with reputable Developers to offer mortgage financing as part of their home purchase packages, ensuring a steady pipeline of clients.



Develop innovative new mortgage products to attract a wider range of clients, including offering personalised mortgage solutions that match individual customer needs and financial situations.



Enhance our operational efficiency to create headroom for cost competitiveness.



## Strategic Goal 3 – **Growth** (continued)



Explore partnerships with others to develop advanced credit scoring models to assess the creditworthiness of borrowers more accurately, enabling the Bank to lend to a broader range of customers.



Enhance service capability to provide high-quality, responsive service to customers, building long-term commitment to the Bank and encouraging referrals.



Implement loyalty programs or offer special incentives for existing customers who refinance their loans or refer new clients.



Explore the securitisation of the existing loan portfolio as mortgage-backed securities (MBS) to free up capital, allowing the Bank to issue more loans.

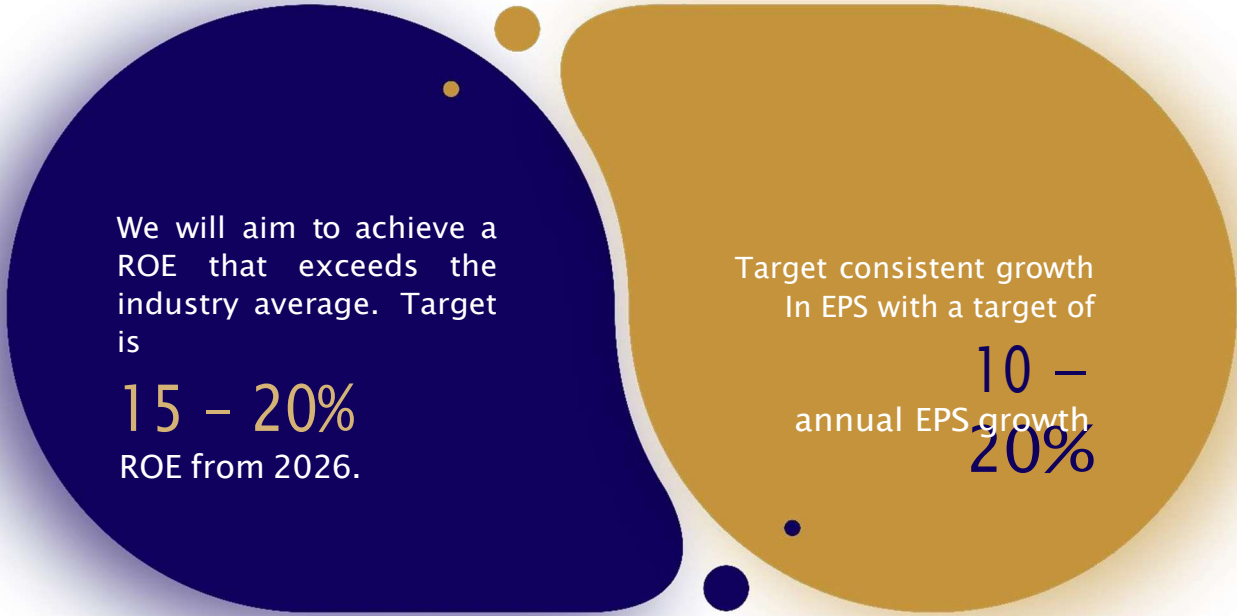
# Strategic Goal 4 – Impact

We will be the leading enabler of green sustainable housing, with at least 40% of homes we finance achieving the IFC Edge or similar certification by December 2030. Towards this goal, we will:



## Strategic Goal 5 – **Shareholder Value**

Starting from December 2026, we will consistently deliver economic return to our Shareholders. Towards this goal, we will:



We will aim to achieve a ROE that exceeds the industry average. Target is

**15 – 20%**  
ROE from 2026.

Target consistent growth  
In EPS with a target of

**10 – 20%**  
annual EPS growth

A sustainable and increasing dividend payout ratio with a target of 20% increasing to 25% over 5 years.

## Cross-Cutting Initiatives

To achieve our strategic goals, we will acquire three core capabilities: AG Mortgage Bank Plc will become:



## Technology Transformation Programme

The objective of the Technology Transformation Programme (TTP) is to establish the Bank as a Fintech spectrum company that leverages technology to improve performance. High-level objectives of the Programme include:



Enhance Operational Efficiency



Improve Customer Experience



Drive Business Growth



Strengthen Risk Management and Compliance



Increase Agility and Innovation



Cost Optimization



Enhance Data Security and Privacy

# High Performance and Talented People Programme

A high-performance culture where employees are committed to achieving excellence, consistently exceeding performance expectations, and prioritising customer satisfaction is critical to the achievement of the strategic objectives.

In that regard, the Bank will establish a designed Organisational Development Programme aimed at developing talent required at all levels to drive the Strategic Initiatives.



# Customer Focus Programme

We will place Customer focus at the centre of all business activities, ensuring that products, services, and interactions are tailored to meet customer needs, preferences, and expectations. In that regard, we will develop a Customer Focus Programme equipping the Bank with the capability and systems to:



Understand Customer Needs



Personalise Services and Products



Offer Exceptional Customer Service



Build Long-Term Relationships



Enhancing Customer Experience



Increase Agility and Innovation

# Making Strategy Happen – Implementation Framework

Whilst the Strategic Objectives have the potential to transform the Bank, they are very ambitious and require deliberate and dedicated commitment to implementation to achieve them.



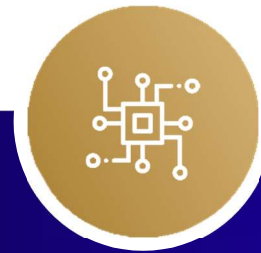
## **The Global Implementation Plan.**

This is the overarching plan which brings all the different work streams together for monitoring and evaluation. It is this plan that is reported to the Board.



## **Capital Raising Plan:**

Detailed plan outlining step-by-step action, including timescales and responsibilities for mobilising capital, including the targeted N10bn in new equity capital.



## **Technology and Business - Transformation Project Plan:**

Detailed implementation plan for the technology project. The plan will define scope, responsibilities, resources required and timescale.



## **Organisational Development Plan:**

Action plan for business restructuring, people and productivity improvement and culture development.



# Key Operational Projections

## High Growth Projections

The target outcome of the Strategic Plan outlined above is to deliver the following key results:

	<b>20% YoY growth on Loans and Advances to N35.4 in 2028</b>		<b>25% YoY growth on Customer Deposits from N7.9bn at 12/2023 to N24.4bn in 12/2028</b>
	<b>35% YoY growth on Gross Earnings from N3.24bn at 12/2023 to N14.5bn in 12/2028</b>		<b>35% YoY growth on Profit Before Tax from N702m at 12/2023 to N3.15bn in 2028</b>

## Loans and Advances

	2023 (N'm)	2025 (N'm)	2026 (N'm)	2027(N'm)	2028(N'm)	2030(N'm)
Loans and Advances	14,211	17,053	20,464	24,556	29,468	35,361
<b>Distributed</b>						
NHF Mortgage		50%	50%	45%	45%	40%
Market Priced RM		25%	25%	30%	30%	35%
Construction Finance		15%	15%	15%	15%	15%
Commercial Mortgage		10%	10%	10%	10%	10%

## Earnings Projections

	2023 (N'm)	2025 (N'm)	2026 (N'm)	2027(N'm)	2028(N'm)	2030(N'm)
Total Revenue	3,243	4,378	5,910	7,979	10,772	14,542
<b>Distributed</b>						
Net Interest Income from Mortgage Loans	82%	75%	75%	70%	70%	65%
Fee and Commission	18%	25%	25%	30%	30%	35%

# Customer Deposit

	2023	2025	2026	2027	2028	2030
Total Deposit (N'm)	7,910	9,888	12,361	15,450	19,313	24,142
<b>Distributed</b>						
Current and Demand Accounts		40%	38%	35%	33%	30%
Savings Accounts		19%	20%	21%	22%	23%
Term Deposits		41%	42%	44%	45%	47%
Call Deposits		0%	0%	0%	0%	0%

# 5-Year Financial Projections

## Income Statement Projections

AG Mortgage Bank Plc

Income Statement

Period Beginning		1-Jan-25	1-Jan-26	1-Jan-27	1-Jan-28	1-Jan-29	1-Jan-30
Period Ending		31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Year	Base Case ▼	2025	2026	2027	2028	2029	2030
Column Counter		1	2	3	4	5	6
Days in a period	Units Inputs	365	365	365	366	365	365

Interest Income	N'000	5,115,653	6,136,264	7,366,876	8,840,461	10,608,410	12,730,062
Interest expense	N'000						
Interest on Deposits	N'000	(1,126,773)	(1,361,800)	(1,667,370)	(1,684,166)	(2,767,668)	(3,837,213)
Interest on Long term debt	N'000	-	(800,000)	(1,468,618)	(2,082,646)	(2,551,540)	(2,886,102)
Total interest expense		(1,126,773)	(2,161,800)	(3,165,988)	(4,067,148)	(5,346,508)	(6,726,315)
Net Interest Income	N'000	3,986,180	3,977,463	4,200,889	4,773,344	5,258,902	6,003,777
Impairment (allowance)/reversal	N'000	-	-	-	-	-	-
Net interest Income after impairment loss	N'000	3,986,180	3,977,463	4,200,889	4,773,344	5,258,902	6,003,777
Fees and commission income	N'000	406,276	461,141	586,350	707,236	848,673	1,018,407
Fees and commission expense	N'000	-	-	-	-	-	-
Net income on fees and commission	N'000	409,276	491,141	589,350	707,239	848,673	1,018,407
Other operating income	N'000	126,066	141,673	156,170	171,787	188,666	207,863
Operating income	N'000	4,524,523	4,610,577	4,946,409	5,652,370	6,296,540	7,230,047
Provision for credit loss (1% of loans G advances)	N'000	(170,532)	(34,110)	(40,620)	(46,121)	(58,631)	(70,723)
Other operating gain/(loss)	N'000	135,736	138,317	148,362	166,571	188,866	216,601
Employee costs	N'000	(604,605)	(622,115)	(686,282)	(1,130,474)	(1,256,308)	(1,446,006)
Depreciation and Expenses	N'000	(230,676)	(244,821)	(272,431)	(313,088)	(353,332)	(407,683)
Other operating expenses	N'000	(1,806,806)	(1,613,702)	(1,483,623)	(1,665,711)	(1,888,662)	(2,166,014)
Operating Profit	N'000	1,544,037	1,934,145	2,308,246	2,633,548	2,924,904	3,353,519
Income from equity accounted investments	N'000	-	-	-	-	-	-
Other non-operating gains/(losses)	N'000	-	-	-	-	-	-
Profit before taxation	N'000	1,544,037	1,934,145	2,308,246	2,633,548	2,924,904	3,353,519
Income tax: expense	N'000	(501,812)	(628,567)	(750,180)	(855,603)	(650,564)	(1,086,864)
Deferred Ta:	N'000	-	-	-	-	-	-
Net Income	N'000	1,042,225	1,305,548	1,558,066	1,777,645	1,974,310	2,263,625

# Statement of Financial Affairs

AG Mortgage Bank Plc

Balance Sheet

Period Beginning		1-Jan-25	1-Jan-26	1-Jan-27	1-Jan-28	1-Jan-29	1-Jan-30
Period Ending		31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Year	Base Case ▼	2025	2026	2027	2028	2029	2030
Column Counter		1	2	3	4	5	6
Days in a period	Units Inputs	365	365	365	366	365	365

BALANCE SHEET CHECKOKOKOKOKOKOKOK

BALANCE SHEET

Assets

Cash and Cash Equivalents	N'000	12,376,216	23,186,716	26,556,181	37,068,577	51,328,360	56,756,822
Due from Other Banks	N'000	107,447	128,636	154,723	185,668	222,802	267,362
Loans and Advances	N'000	17,053,176	20,464,212	24,556,254	26,468,305	35,361,366	42,433,636
Financial assets through profit or loss	N'000	-	-	-	-	-	-
Other Assets	N'000	506,028	636,284	765,355	664,164	1,242,743	1,553,426
Investments in associate	N'000	36,855	40,653	41,466	42,265	43,141	44,004
Non-Current Assets held for Sale	N'000	2,776,662	2,776,662	2,776,662	2,776,662	2,776,662	2,776,662
Property, Plant and Equipment	N'000	755,626	768,805	816,374	682,286	562,654	386,271
Intangibles and Other Assets	N'000	67,744	122,180	152,725	160,606	238,632	268,260
Deferred Ta: asset	N'000	-	-	-	-	-	-
Total Assets	N'000	33,716,053	48,124,747	58,856,040	71,439,193	91,776,989	107,519,778

Liabilities

Customers Deposits	N'000	14,210,680	18,603,826	24,556,254	32,742,561	44,201,707	60,616,484
Borrowing from FMBN	N'000	8,403,671	10,202,560	11,746,045	12,686,285	13,856,406	12,263,603
Other Borrowing	N'000	2,686,784	4,785,373	6,331,858	7,566,068	8,436,222	6,876,716
Deferred Ta: Liability	N'000	153,464	153,464	153,464	153,464	153,464	153,464
Income Ta: Payable	N'000	312,186	312,186	312,186	312,186	312,186	312,186
Other Liabilities	N'000	760,062	866,101	656,011	1,051,612	1,156,773	1,272,450
Allowance for credit loss		170,532	204,642	245,563	264,683	353,614	424,336
Total Liabilities	N'000	27,028,039	35,131,184	44,304,411	55,109,919	68,473,406	81,952,569

Capital and Reserves

Share capital	N'000	5,000,000	10,000,000	10,000,000	10,000,000	15,000,000	15,000,000
Share premium	N'000	712,871	712,871	712,871	712,871	712,871	712,871
Statutory Reserves	N'000	112,560	112,560	112,560	112,560	112,560	112,560
Regulatory Credit Risk Reserve	N'000	878,366	878,366	878,366	878,366	878,366	878,366
Retained earnings/(accumulated losses)	N'000	(15,785)	1,286,763	2,847,826	4,625,473	6,566,784	8,863,406
Total Equity	N'000	6,988,015	12,993,563	14,551,629	16,329,273	23,303,584	25,567,209
Total Equity + Liabilities	N'000	33,716,053	48,124,747	58,856,040	71,439,193	91,779,989	107,519,778



The Board of Directors, annually at a meeting specifically dedicated for this purpose. Such meetings will evaluate progress and results in relation to the Strategic Goals, the operating environment and implement changes to the strategic plan as necessary.



Executive Management Team, bi-annually at a retreat dedicated to in-depth review of performance against targets;



Departmental Teams, quarterly.

## Monitoring and Review

This Strategic Plan will be monitored and evaluated at three levels, namely: