Conference Call transcript

Operator

Good day ladies and gentlemen and welcome to the Access Bank Plc nine months 2019 results presentation to investors and analysts. All participants are currently on listen-only mode and there will be an opportunity to ask questions later during the conference. If you need assistance during the call, please signal an operator by pressing star and then zero. Please also note that this call is being recorded. I would now like to turn the conference over to Mr Herbert Wigwe. Please go ahead, sir.

Herbert Wigwe

Thank you Chris and good afternoon ladies and gentlemen. You are all welcome to Access Bank's Nine Months 2019 earnings call. We have prepared a detailed presentation which highlights all aspects of our business and I'm going to be sharing that with you now. However, our presentation is hosted on our website so you all have access to it. On the call with me today is Mr Roosevelt Ogbonna, who is our group Managing Director, Greg Jobome, our Executive Director in charge of Risk Management, Mr Adeolu Bajomo, who is our Executive Director in charge of IT and Operations. We have Mr Taiwo Fowowe, who is sitting in for our CFO. And of course we have Mrs Iyabode Soji-okusanya who is in charge of our Corporate Banking business, and finally we have Sunmbo Olatunji who is our Treasurer.

I will briefly go over some of the key performance highlights, after which we will allow more than enough time for questions and answers. In terms of group performance highlights, our gross earnings grew by 37% to ₦513.7 billion in the period compared to ₦375.2 billion in the corresponding period of 2018. It comprised 79% of interest income and 31% of non-interest income. the interest income was up by 48% to ₦405 billion and the key contributors to this growth were first of all a 115% year on year increase in income from our investment securities, which was ₦140.4 billion in the period compared to ₦65.2 billion in the corresponding period of 2018, 75% year on year increase in interest on cash and cash equivalents to about ₦8.6 billion, a 25% year on year increase in interest on loans and advances to ₦256 billion compared to ₦204 billion in the corresponding period of 2018, owing mostly to growth in the loan book as a result of the recent merger.

However, we also saw an increase in interest expense by 29% to about ₦194.8 billion compared to ₦151 billion in the corresponding period of the previous year. This was also largely driven by the sheer size of the deposit base resulting from the merger and the interest expense on our structured funding in both local and foreign currencies. However, you will notice that the bank is gradually winding down and repricing the book, and this has started to reflect in our cost of funds which as continued to drop as evidenced by the 40 basis point reduction to 5.2% in the current period when compared to 5.6% in September 2018.

As a result of this the net interest income improved by 71% to ₦210 billion in the nine-month period 2019 compared to ₦122.9 billion in the corresponding period of 2018. Operating income again showed a significant increase by 39% year on year to ₦308 billion from ₦223 billion in the corresponding period of last year, owing largely to the significant growth both in net interest income and other operating income. The key drivers of our operating income were as follows; first of all, we saw a 54% increase in commissions and fees to ₦66.9 billion as at the nine months 2019 from ₦43.5 billion in 2018. This came largely as a result of significant increase as far as our retail and e-business fees are concerned. And we continue to gain traction on those income lines as we extend our retail offerings.

We also saw significant contribution from other operating income comprising largely of income from financial services as well as ₦22.4 billion recoveries from written off bad loans. As we have stated on our previous calls this is one of the key synergies of the merger. We have already surpassed the target that we set for ourselves and we hope to achieve a lot more in the last quarter of the year.

On the other hand, we also saw a decrease by 81% year on year in terms of our net trading income to about ₦8.5 billion in this period ending 30th September from ₦45.5 billion in the corresponding period last year. This really comes on the back of the timing of income recognitions as well as when we move close to the maturity of the various instruments that were used. So it is really an income recognition issue and this basically starts to take more effect and becomes more visible as we come to the end of the various instruments. However, these are carefully modelled in our financial plans to ensure that when we look at it year on year to basically minimise the volatility as at year end. However, on a quarter on quarter basis we also saw a growth in trading income on the back of the strategic position we took to take advantage of the yield volatility on fixed income. Also FX gain is from the volatility and timing of income recognition on derivatives as I mentioned earlier.

As regards to costs, operating expenses have gone up year on year by 34% to ₦194 billion compared to ₦144 billion in the corresponding period last year. This is largely as a result of the expansion and the merger, the increase in costs from personnel, depreciation and other operating costs. Again it is coming from the scale and of course the impact of inflation. However, we will continue to drive our cost reduction strategies to make sure that as we move on through time those costs will basically come down in line with the synergies which we have shared during previous presentations.

In terms of our expected credit loss charge it went up by 27% to ₦10.6 billion from ₦8.4 billion in the corresponding period last year, and this was just to ensure that we had adequate cover for our challenged loans in order to drive our NPL ratio down to traditional levels. Accordingly, our cost of risk stood at about 0.7% as at the period ended 30th September 2019. Loans and advances grew coming from the merger. It grew to about ₦2.9 trillion compared to ₦2.1 trillion in the corresponding period over the year. But what you will see is that quarter on quarter there was not a very significant growth as we had to manage ourselves to ensure that our liquidity was not impaired.

The group's asset quality remains under control as our NPL ratio stood at 6.3% in the period compared to 6.4% as at half year. And the key sectors responsible for this remain of course our oil & gas services, which constitute about 44.3% of the ratio, general commerce 11.2%, and then oil & gas upstream 10.6%. As we mentioned in our previous calls, we will continue to drive down the NPL ratio to our traditional levels where we used to be prior to the merger. This we will achieve through write-offs of sticky loans and recoveries. On a year to date basis we have written off a total of ₦59 billion, having made full provisions for them. We will continue to pursue for those where we have taken provision and never written them off, to ensure that we recover whatever securities we can. And of course whatever we get can only come to enhance our profit positioning.

Customer deposits closed at ₦4.2 trillion which is basically a 65% year on year growth from ₦2.6 trillion in the corresponding period of last year and of course just a 1.3% quarter on quarter growth from June 2019. The growth again is largely coming from our current savings accounts deposits which is basically coming from the enhanced retail presence which we have done sitting on the back of a very strong digital platform and of course the synergies of the merger.

Our capital adequacy ratio closed at about 20.3% on a full impact basis. However, when we consider the regulatory transitional arrangements, the capital adequacy ratio is sitting at about 23.9%. Liquidity ratio closed at 48.4%. And of course all these ratios are far in excess of the regulatory minimum requirement. So this is an attestation to our commitment to remain disciplined with our capital management and ensure that we are well above regulatory requirements as well as our internal limits that we have set for ourselves.

Let me speak a bit more about our retail strategy. We have continued to consolidate on the gains coming from various strategic decisions aimed at pushing our retail business in line with the next phase of our transformation. We are extremely heavy on analytics to support the understanding of our customers' behaviour and preferences. And of course we are increasing the suite of products that we are offering to the market to ensure that we continue to deepen the market as far as retail is concerned. And as far as financial inclusion is concerned we are deploying resources to reach the under-banked and unbanked by expanding our agency network and of course leveraging off our partnership with telcos as well as our digital technology. Today our agency banking network has continued to increase with our agents now at about 15,000 compared to about 7,800 in 2018.

In the next couple of months, we shall be rolling out some practical, cheaper and eco-friendly outlets in specific neighbourhoods where there are limited banking penetration but where you have the demographics and economic requirements that can ensure that those outlets break even and make money. Again on our retail digital lending, which is again part of our retail strategy, we have continued to gain momentum as we continue to make available channels of opportunities to enable customers to finance their lifestyles in fulfilment of our promise to deliver more to our customers. Our digital loans portfolio has grown significantly as we continue to do an average of about ₦1 billion a day in terms of loan disbursements through our payday loans and other products such as salary advance, small ticket personal loans and device financing. It is being done in a risk managed manner to ensure we don't see a significant increase as far as our NPL is concerned. And of course there are very strong analytics going towards ensuring that behaviours are monitored, collections are monitored on a daily basis, not just on a portfolio basis.

In terms of the outlook for the last quarter we are committed to driving an effective and sustainable business growth by efforts on generating low-cost deposits, increasing the velocity of our transactional income and reinforcing cost optimisation strategies to ensure that our overall balance sheet is efficient and that we can maximise profits. We will continue to consolidate on the early gains of the merger. We have realised so far about

₦28 billion from the synergies, which includes ₦22 billion from recoveries, ₦4.7 billion from sale of assets and of course a bit more from IT integration and data consolidation.

On our systems integration let me quickly say that we are extremely proud to have completed our Day 2 integration process with regards to IT. So what that means is that all systems of Access and what used to be Diamond have been fully integrated. This integration witnessed the migration of well over 32 million customers onto a new infrastructure. We have carefully invested in this process to give our customers a true world-class experience at all our touchpoints and to cater for the growth aspiration of the bank going into the future. We appreciate all our customers, investors and all of our stakeholders who have joined us so far on this historic journey. This concludes our performance overview for the third quarter and I will now leave the lines open for questions. Thank you.

Operator
Thank you very much sir. Ladies and gentlemen, at this time if you do wish to ask a question please press star and then one on your touchtone phone. If you decide to withdraw your question please press star and then two to remove yourself from the question queue. Again if you wish to ask a question please press star and then one now. Our first question is from Tolu Alamutu of Tellimer. Please go ahead.

Tolu Alamutu
Good afternoon and thank you for hosting the call today. I have a few questions please. The first is about the recent Kenya acquisition. I just wanted to get more detail about why you decided on that particular lender rather than opening up a greenfield operation. And how do you intend to turn around profitability at that bank given that it has reported losses quite recently? Also, maybe you could update us on your Africa strategy and what management sees as being the target in terms of size and other countries that you might look to grow into in Africa. Secondly on the bond market I just also wanted to get an update on any plans you might have to return to the bond market. I know your existing security doesn’t mature until 2021, but any update on that would be useful. And on foreign currency loan demand as it relates to a potential return to the bond market. Thirdly on asset quality, you mentioned that you are still chasing loans that have been written off. When you said recoveries of ₦22 billion earlier, are those recoveries on loans or are they other recoveries? And then can I maybe get an update on any customer attrition that you’ve seen since the merger happened? Thank you.

Herbert Wigwe
Thank you Tolu. Let me speak to the Kenyan acquisition. First of all, if you go through our presentation it basically shares with you our African strategy which is part of our five year corporate strategic plan. That plan was shared on the floor of the stock exchange about this time in 2017. So we are very clear that we wanted to be Africa’s gateway to the world. In that plan we shared the countries where we want to have a physical presence and where we want to have some partnerships. And that is within the context of Africa. We also shared outside of Africa where we wanted to have rep offices, where we wanted to have physical presence and all of that. And it is of course hosted on the website.

Now, with respect to Kenya specifically, Kenya represents one of the major trade corridors in the continent. Not just is it at the heart of East Africa, but of course if you are doing things in Central Africa Kenya is important. We have gone through the list of lenders in that market and basically weighed what it meant in terms of either pursuing a greenfields license or buying an existing lender. Now, if you understand how that market is configured today, getting an existing license would have taken a lot longer. This specific entity is not of significant scale but does have a reasonable network of 28 branches. They started making losses about two years ago when they lost their correspondent banking lines.

Now, we believe that most of the corporates for instance leveraging off our subsidiary in the UK will basically find themselves having more lines to do business with all of those corporates. But more importantly, it sits perfectly within our strategy of being Africa's gateway to the world. So we have done the analysis and compared them to other lenders, and of course compared it to the prospect and time it would take to get a fresh license before we went in on it. It will return to profitability very quickly because we have looked through the books, we have done the relevant due diligence, and of course whatever payments we were making for it were basically on an adjusted book basis.

Now, other aspects of our African strategy, like I said, are clear and are on the website the countries we don't want to be present in within the different economic [break in audio] particularly given the Africa that is coming into play right now. If you look at our subsidiary network they are all making money right now, but we think that having a proper network across the continent that today in terms of trade will see probably about $200 billion worth of trade happening within the continent. And this just refers to imports, not to talk of the intra-African trade that does exist. And given the products that we have we think that a lot of money can be created by just having those networks and certain partnerships in specific jurisdictions where we do not think it is right to go and get a physical presence. I think that by this time next year we probably would have added about four more subsidiaries, some of them greenfields – most of them greenfields actually – to our list of African subsidiaries.

Now speaking to the bond. We have a very rigorous and disciplined capital plan. Our existing instrument matures in 2021. We are careful as to what going to the market means in terms of the cost of funds for the institution. So we are still watching and trying to decide whether to go to the market. So for us right now we are under no pressure. We are able to the maturing obligations of erstwhile Diamond Bank. We are able to meet our last maturing Eurobonds and prepaid them if you like. We are able to still meet all foreign currency demand of our clients. But we have determined what is core and what is required going into the future. We will basically determine and agree at what particular point we want to enter the market. But like I said it is [break in audio] our capital management plan. So we will approach the market at the appropriate time.

Speaking to loans that are written off, the ₦22 billion came from loans that were written off and recovered. We are not talking about other assets at this particular point in time, even though those will exist. I think we still see significant potential to recover some more loans in this last quarter. on customer attrition I guess maybe because of the experience we've had in doing M&A we pursued this in a very interesting manner as far as making sure that it was a [unclear] methodology, so keeping the traditional lights on while going ahead with the combination. We also changed in terms of how we managed people and how we deployed people across the franchise. So yes, at the very beginning at the announcement of the combination we saw a little bit, less than 5% loss in terms of liabilities coming out of what was Diamond Bank. But I'm pleased to say that all those deposits have come right back and we are now on a growth trajectory.

The commissions and fees of the combined institutions have almost doubled even their pre-merger status. That can only mean we are signing on and doing increased business with customers. We are also signing on between 400,000 and 500,000 fresh customers on a monthly basis. So the issue of attrition is not an issue at all. What we are thinking of is how we maximise the volumes and the market share and share of wallet of the customers that we are getting. Thank you very much. We will take more questions.

Operator
Thank you sir. The next question then is from Tunde Abidoye of FBNQuest. Please go ahead.

Tunde Abidoye
Good afternoon. Congratulations on your results. My question is a follow-up to the one asked earlier. It is on the TNB acquisition. So I'd just like to get a sense of the size of the deal. How would the acquisition be paid for? Is this going to be all cash, or a combination of cash and shares, or just shares only? And what kind of synergies do you expect to realise in the next couple of years going forward? Thank you.

Herbert Wigwe
Well, Tunde, to put it very simply, what we've done is that we've basically bought about 97% of the bank. It will be paid for in cash so we have taken out the existing shareholders and we will basically inject a bit more equity into the institution. So those who will be given equity don't exceed more than about 3% or 4% of the existing shareholders. Now, in terms of synergies I'm certain that that franchise will break even in the first year when we get in. I have no doubt whatsoever. I think you will see increased volumes in terms of what we refer to as our Access Africa Payments, which are basically payments across the [break in audio] where we are present.

Most of the trade that happens in Rwanda, where we have a strong presence, basically comes out of Kenya where you have a sea port. All our major clients exist there. As you know Kenya is a rather sophisticated market in East Africa and all the large corporates exist there. So a strong one bank name and the relationships which we have here we are basically going to migrate and make sure that those accounts start running in that institution. By the way they do exist, but because the institution did not have the capacity to support them they have migrated most of their business elsewhere. So I think from the first year that institution will definitely break even and start making money. More than all the others we have a lot of confidence that this will be a very profitable franchise. Next question.

Tunde Abidoye
Can you quantify in Naira terms the value of the [unclear]?

Herbert Wigwe
I cannot give you the straight numbers across here, but is it in terms of consideration?

Tunde Abidoye
In terms of the signages that you mention. [Overtalking]. In terms of the signages what kind of value are you hoping to get?

Herbert Wigwe
I think by the end of the second year we would start to see an ROE that is close to 20%.

Tunde Abidoye
Okay. Thank you.

Operator
Thank you. Ladies and gentlemen, just a reminder, if you wish to ask a question please press star and then one. The next question is from Muyiwa Oni of SBG Securitas. Please go ahead.

Muyiwa Oni
Good afternoon ladies and gentlemen. Thank you for taking time to take our questions. I have a few questions. So one, I guess it is still a follow-up on the Kenyan acquisition. I just want to understand your view on market share and size that you expect that business to go to, given that I believe currently market share is less than 0.2%. And then also for your overall Africa business strategy what kind of contribution do you expect on your group on revenues and total assets? And on your customer base I wanted to get an update on the ₦14 million digital accounts that you inherited from the Diamond acquisition and wanted to get a sense of dormancy and activity rate on those customers. And also I think thirdly I just wanted to get your views on the recent central bank policies, LDR and OMO, and wanted to understand the impact on your business.

Herbert Wigwe
Okay. So Muyiwa, let me put it simply. The Kenyan bank has very limited market share. Well that the beginning of the story. Like all institutions in any market in the places where we have gone into we start to build from here. I think what is important is the fact that it's not a one year, or two year, or three year, or four year, or five year story. We are trying to create an institution that will outlive and outlast each and everyone one of us. Now, my sense is that first of all we have a head start because we have a lot of the one bank names already present in that bank, albeit dormant. Two, we have significant retail offerings which we can push into that market or at least even ensure that a lot of the transfers and payments that happen outside of that market can go through our own channels. I think it will start to grow. The most important thing is that it remains profitable and we retain the earnings there and continue to build on it just the same way we've done in other subsidiaries and support the network.

Today our subsidiary in the UK provides correspondent banking services even to those institutions that are considered to be doing exceedingly well. There is no reason why it would not support Access Bank in Kenya and let us start to gain market share over and above some of the existing small banks that exist there. So we remain confident that the story has started. Year on year you will continue to see improvements. This is not one that you would say we will require a three year breakeven or anything of the sort. Having looked at it, having done the due diligence and looked at what is possible, we believe that in the first year we will more than break even. And the fact that we have 28 branches already we will continue to chase retail customers and push it on from there.

We know that digital has found a strong way in which things happen in Kenya, but there are several aspects of the business which are not being captured by all of that which have to do with payments coming from other parts of the continent into Kenya, payments to other parts of East Africa etc. and it is not just a domestic payment structure that M-PESA currently rides on. So we do have a clear strategy as to how all of that is going to play now. Now, as we continue to look in the context of Africa let me share with you the fact that today when we look at Africa and the rest of the world, which is basically the UK, Dubai etc. it constitutes maybe 27% of our overall profitability. My sense is that that figure will continue to grow as we spread more and more across the continent.

And the fact is simple. We don't want to create a local Nigerian bank. We want to create a bank that is global in scope and scale, that is digitally led and that is profitable and returning proper returns to its shareholders. if you stick to Nigeria alone and you don't look at the opportunities, the network effect and the value chain synergies deriving from other parts of the continent and outside, basically one day you will shrink into a micro finance institution as devaluation and all of those things do happen. So our sense is that over the next couple of years not just across Africa but in the rest of the world we must try to pierce our sovereign ceiling by trying to get contributions to be as much as 40% as far as the entire group is concerned. Now, that will be difficult because as we are speaking the group also hopefully given all the efforts and things we are doing particularly in retail and our corporate banking business that is still growing as well should be growing significantly. But a contribution of 35% to 40% can give a very strong case for people to look at a risk rating that can almost begin to pierce the sovereign ceiling.

Now, on the 14 million digital accounts of Diamond let me quickly say that when we say we have 31 million accounts we have not included those 14 million accounts. But I will share with you what we are doing with them. Those accounts are mobile wallets. And we have started to engage each and every one of them as we have on boarded them to our system. So you would have seen freebies going on, you would have seen sale of airtime and things which we are doing to basically get those customers more active. Today we are able to engage something like 20,000 to 30,000 of them every day to basically become more active. That is the kind of number we are seeing on a daily basis. The whole idea is that we will soon come up with a suite of products that will make sure that all 14 million or a significant portion of them become active.

So our 31 million customers does not include this 14 million customers. But what you will find is in a specific project camping, which we are all about now, is that over the next one year you will see significant reactivation coming from that. Today it is just about 20,000 on a daily basis that we have that are reactivated. There are 2 million that are transacting right now, but we are reactivating 20,000 every day and we hope that by the end of the year next year we should have got to the situation where we can see something like 80% activity as far as those particular accounts are concerned. And we have more sign-ons every day with respect to this thing. We expect that quite frankly by the year 2023 we must find ourselves banking one out of every two Nigerians on our platform. That is what we are pushing.

Now, on other things with respect to CBN's initiative on LRD, as you know we are compliant. One of the things that came from the merger was the fact that by putting the loans together already our loan to deposit ratio is more than 65% or 67%. So we are fully compliant. I think government is trying to ensure that there is a lot more support going to the real sector, because that is the only way growth can happen. We think it's the right thing. It may put a bit of pressure from a liquidity standpoint on banks, but I think we've all come to the realisation that it perhaps is something we all need to think very seriously to make sure that it does happen, while ensuring that the central bank also meets its own monetary policy aspirations. Thank you.

Muyiwa Oni
Thank you. If I may just ask a follow-up question…

Herbert Wigwe
Sorry?

Muyiwa Oni
If I may just as a follow-up question on the LDR policy, I'm wanting to get a sense of the kind of margin pressure you are seeing on your loans given other banks trying to boost their loan book to meet the guidelines. So are you seeing any contraction in your…?

Herbert Wigwe
There is some pressure building up, but there is a greater problem which is the liquidity to basically give out the loans. So yes, with respect to specific names we are seeing where people are trying to extend a lot more, not enough liquidity exists for that pressure to be significant. Now, if you've seen and looked at our own numbers you have seen that our NIM has basically increased. I don't think that this is enough to force those margins down. We have enough names who are willing to take money under the current pricing arrangements that we have. But are we seeing competitors trying to lend at reduced rates? The answer is yes. But that is for specific names.

Muyiwa Oni
Thank you.

Operator
Thank you. The next question is from Jerry Nnebue of CardinalStone. Please go ahead.

Jerry Nnebue
Good afternoon and thank you for the call. I just have a couple of questions. One is on your term deposits. So I noticed that between Q1 post-merger and now you have grown deposits by about 15%. Now, most of the deposit growth we've seen about 80% have come from expensive deposits. So I would like to know if there is a strategy around this, and most importantly the implication for cost of funds, because at 5.2% amongst tier one banks is really high. So what is your strategy for cost of funds? 5.2% is really high compared to where other tier one banks are, so do you plan to do anything drastic to bring this number down, especially in light of the growth in deposits?

So my second question is on Basel III. I know there have been some conversations recently and CBN has hinted at that. I just want to have a sense if this conversation is still ongoing, and if it is likely that we're going to see this come next year what is in place for you?

Herbert Wigwe
Okay. I will let Mr Ogbonna speak to the issue of term deposits, cost of funds, calibration of where that is headed given where it is coming from so that you see what we're doing. And then I would like Mr Jobome to speak to Basel III and what the central bank is doing.

Roosevelt Ogbonna
All right. So I think the real question that you're asking around that is are we managing our NIM and ensuring that the pricing structure on our cost of funds is not putting us [break in audio] compare us to our own competitor group. If you look at 2018 to 2019 even with the increase in our fixed deposit size we have actually reduced our cost of funds and our NIMs have expanded. We have seen a margin expansion of about 160 to 180 basis points. This has come about by an increase in yields as well as a reduction in our overall cost of funds. The 5.2% that you make reference to is the average cost of funds. As we speak today our cost of funds actual is about 4.7%. So between Q1 of 2019 when we started the year, post-merger and now we've actually seen further reduction in our overall cost structure. We have had to reprice significantly our term deposits, so they have grown, but from a cost perspective the average cost of that book has reduced. The Dollar side of the book we've seen about a 40 basis point reduction in our FX cost of funds. And I think the guidance we gave for NIM is about 6%. Today we are at about 6.8%. The projection is that we still expect the NIM to expand before the end of this year to about 7%. So there is additional 20 basis point expansion we expect to see on our NIMs. And this will come, as I said, from the continuous pressure to reprice deposits, both on the Naira as well as on the foreign currency side, as well as expand the yields on our asset book.

Herbert Wigwe
Let me just add to what Roosevelt has said. So begin to imagine where we start from next year. in January next year we will be starting from what would have been almost 200 basis points when you look at us from an actual standpoint, or 150 basis points when you look at us from an actual standpoint in December last year. And what that means to profitability on an expanded book means 150 basis points additional income technically will basically come into the book coming from our net revenue from funds. So next year as far as [unclear] is concerned we are likely to see a significant uplift. Greg, I think you should speak to the Basel III.

Greg Jobome
Okay. Thank you Herbert. As you know the central bank has been encouraging banks for a number of years now to begin to adopt the elements of Basel III that their systems and infrastructure can support. So several of us have been doing that. That is things like liquidity coverage ratio, net [unclear] funding ratio etc. which are meant to guide both the liquidity and stability of funding aspects of banks' operations. So in terms of formal guidelines they have been working very hard on this. Some provisional guide was provided a couple of years ago and more specific guidelines are still expected. And as they are coming out perhaps banks will also have a chance to make a contribution to the drafts in that process. And I reckon we have to look to central bank to formalise this, but on

our part like I said we've already invested in this for a good number of years now and all those key Basel III aspects we have been internally operating them.

Operator

We have no further questions, sir.

Herbert Wigwe

Well, in the absence of any other question I think this brings us to the end of our investor presentation. We look forward to speaking with the investor community next year with our full results. Thank you very much, ladies and gentlemen.

Operator

Thank you very much, sir. Ladies and gentlemen, that then concludes this conference call and you may now disconnect your lines.

END OF TRANSCRIPT