
A PRESENTATION BY ACCESS BANK PLC

July 2008
Presentation Outline

• Background Information
• Strategy & Customer Value Proposition
• 2007/08 Financial Performance
• Financial Performance Analysis & Key Drivers
• First Quarter Highlights
• Conclusion
Background Information
Access Group – Fact Sheet

Parent Company: Access Bank Plc registered in Nigeria and licensed as a Universal bank

OUR VISION: To transform our bank into a world-class financial services provider.

OUR MISSION: To go beyond the ordinary, to deliver the perceived impossible, in the Quest for Excellence

**Market Capitalization**  
$2.4Billion

**No of Employees**  
1420

**Partners**

- VISA
- KPMG
- i-flex solutions
- Standard Chartered
- IFC
- FMO

**Total Assets**  
$10Billion

**Credit Rating**  
AA / A- / BBB  
(GCR/Agusto/Fitch)

**Listing**

- NSE (Ordinary Shares & 3 years Convertible Bond)
- OTC GDR Traded in London

**Geographical Coverage**  
Global

**Channels**

- 118 Branches
- 119 ATMs
- 104 POS
- Call Centre

**Subsidiaries**

- Access Bank Gambia
- Access Bank Sierra Leone
- Access Investment & Trust Ltd
- Access Homes & Mortgages
- United Securities Limited
- The Access Bank UK Limited
- Omni Finance, Cote d'Ivoire
- Bancor, Rwanda
- Banque Privee du Congo
- Access Bank, Zambia

**Shareholders Funds**  
$1.5billion

**Channels**

- $2.4Billion
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- Total Assets
- $10Billion
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Access Bank - Geographical Coverage

**GDP**

- CEMAC: $113bn
- UEMOA: $164bn
- WAMZ: $321bn (Nigeria: $216bn)
- SADC: $962bn (SAfrica: $703bn)
- EAC: $149bn

*The Quest for Excellence*
NIGERIA: Fact Sheet

Location: Western Africa
Geographic coordinates: 10°00' N, 8°00'E

PEOPLE

Population
138,283,240 (July 2008 est.)

Population Growth Rate
2.382% (2008 est.)

ECONOMY

GDP
$166.8 billion (2007 est.)

GDP per Capital
$2,000

GDP real Growth Rate
6.4%

External Reserves
$58bn

Unemployment Rate
25% (2007 est.)

Inflation
5.5% (2007 est.)

Foreign Direct Investment (FDI)
$33.64 billion (2007 est.)

External Debt
$3bn

GOVERNMENT

Executive
Federal, State & Local

Legislative
National & State Assemblies

Judiciary
Federal & State Judiciaries

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Recent Developments in the Nigerian Banking Industry

- Banking reform announced by CBN governor in July 2004 under a 14-point agenda
  - A major requirement was for banks to achieve minimum shareholders' funds of N25bn (approx. USD190mm) by the end of December 2005
- The reform initiated the first wave of consolidation in the sector
- 25 groups emerged from 89 banks that existed at December 2004
- 14 banks had their license revoked, as they did not meet capital requirements
  - represented 6.5% of the total deposit liabilities of the banking system (less than 1% of GDP)
  - 4 of these banks were later acquired by 3 recapitalised banks under the purchase and assumption strategy
  - Flight to safety and quality benefited stronger banks
- Fastest growing financial services sector in Africa
- Accounts for 50% of Nigerian Stock Exchange (NSE) Market capitalisation
- 5 Nigerian Banks rank amongst Africa Top 20 and 10 Nigerian Banks rank Top 1000 (2008) (Source: The Banker)
Strategy & Customer Value Proposition
Our Target Market

Corporate & Commercial Clients

• Very large Corporates with dominant market share in Telecoms, Oil & Gas, Fast Moving Consumer Goods (FMCG) & Commodities

• Public Sector project finance opportunities owing to infrastructure funding gap $12 bn for Sub-Saharan Africa year on year (Nigeria $8bn)

• Multinational players in the oil & gas

• Middle-tier Corporates

• Distributors to top 3 producers of goods and services in Telecoms, Downstream Oil & Gas, FMCG

• Financial institutions driven by the ongoing reforms in Financial service industry in Africa –Stockbroking, Asset management, Microfinance, Mortgages

• Public Sector and State Governments driven by our nationwide coverage

Retail & Consumer Clients

• Retail/Consumer banking segment penetration is still very low in Africa, In Nigeria there are less than 1 million personal loans against 38 million mobile phones subscribers

• Primary target market is the employees of Corporates, SME clients etc

• SME in the service sector particularly schools, Hospitality, Professional services i.e. Legal etc.

• High net worth clients particularly owners/managers of our corporate clients

• Users of our electronic banking (non-account holders)
Access Bank’s Value Proposition

Customer Value Proposition

Quality
- 5 star Service

Image
- World class
- Excellent
- Global

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Access Bank’s Value Proposition (Cont’d)

OBJECTIVE

- Reduced cost of production to operators
- Increase sales volume to operators
- Ensure benefits can accrue direct to primary target through the chain

METHODOLOGY

Develop suit of products & product programs to meet target stakeholders demands in good time with appropriate pricing taking risk into consideration
Full range of products and services across several countries seamlessly delivered through one single banking relationship.

“One Bank” delivery

Customer intimacy

Cost Management

Competent, multi-tasking, multi-skilled workforce

Operational excellence

Sustainable improvement of Cost structure

Very close relationships with clients, creates high barriers to entry for competitors.

Revenue drivers

Cost efficiency

Outstanding staff productivity

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FINANCIALS
2007/08 Financial Performance Highlights
## 2007/08 Financial Performance Highlights

<table>
<thead>
<tr>
<th>Indices</th>
<th>2008 Group ($'m)</th>
<th>2008 Group (N'm)</th>
<th>2008 Bank ($'m)</th>
<th>2008 Bank (N'm)</th>
<th>2007 ($'m)</th>
<th>2007 (N'm)</th>
<th>2006 ($'m)</th>
<th>2006 (N'm)</th>
<th>CAGR %</th>
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</thead>
<tbody>
<tr>
<td>Gross Earnings</td>
<td>496</td>
<td>57,999</td>
<td>493</td>
<td>57,627</td>
<td>220</td>
<td>27,881</td>
<td>106</td>
<td>13,360</td>
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<td>Interest &amp; discount income</td>
<td>348</td>
<td>40,677</td>
<td>347</td>
<td>40,536</td>
<td>133</td>
<td>16,894</td>
<td>69</td>
<td>8,734</td>
<td>115</td>
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<tr>
<td>Net commission &amp; fees</td>
<td>124</td>
<td>14,435</td>
<td>123</td>
<td>14,344</td>
<td>77</td>
<td>9,769</td>
<td>22</td>
<td>2,863</td>
<td>124</td>
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<td>Other income</td>
<td>25</td>
<td>2,888</td>
<td>24</td>
<td>2,747</td>
<td>10</td>
<td>1,217</td>
<td>14</td>
<td>1,764</td>
<td>25</td>
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<tr>
<td>Net Income</td>
<td>338</td>
<td>39,456</td>
<td>335</td>
<td>39,154</td>
<td>167</td>
<td>21,153</td>
<td>75</td>
<td>9,503</td>
<td>103</td>
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<tr>
<td>Operating expenditure</td>
<td>(177)</td>
<td>(20,610)</td>
<td>(172)</td>
<td>(20,112)</td>
<td>(104)</td>
<td>(13,110)</td>
<td>(66)</td>
<td>(8,384)</td>
<td>55</td>
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<tr>
<td><strong>PBT</strong></td>
<td><strong>161</strong></td>
<td><strong>18,846</strong></td>
<td><strong>163</strong></td>
<td><strong>19,042</strong></td>
<td><strong>63</strong></td>
<td><strong>8,043</strong></td>
<td><strong>9</strong></td>
<td><strong>1,119</strong></td>
<td><strong>313</strong></td>
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<tr>
<td>Loans</td>
<td>2,104</td>
<td>245,836</td>
<td>2,094</td>
<td>244,595</td>
<td>850</td>
<td>107,750</td>
<td>425</td>
<td>54,111</td>
<td>113</td>
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<tr>
<td>Deposits liabilities</td>
<td>3,028</td>
<td>353,736</td>
<td>3,012</td>
<td>351,789</td>
<td>1,619</td>
<td>205,264</td>
<td>871</td>
<td>110,879</td>
<td>78</td>
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<td>Shareholders' Funds</td>
<td>1,471</td>
<td>171,805</td>
<td>1,473</td>
<td>172,002</td>
<td>224</td>
<td>28,385</td>
<td>227</td>
<td>28,894</td>
<td>144</td>
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<tr>
<td>Total Assets</td>
<td>8,950</td>
<td>1,045,568</td>
<td>8,934</td>
<td>1,043,465</td>
<td>2,591</td>
<td>328,615</td>
<td>1,372</td>
<td>174,553</td>
<td>144</td>
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</table>

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## 2007/08 Financial Performance Highlights (ratio)

<table>
<thead>
<tr>
<th>Indices</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Average Equity (Pre-Tax)</td>
<td>19%</td>
<td>28%</td>
<td>7%</td>
</tr>
<tr>
<td>Return on Average Assets (Pre-Tax)</td>
<td>2.4%</td>
<td>2.6%</td>
<td>1%</td>
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<tr>
<td>Cost/Income ratio</td>
<td>51%</td>
<td>62%</td>
<td>88%</td>
</tr>
<tr>
<td>Non Performing loans/Total loans</td>
<td>3.67%</td>
<td>8.84%</td>
<td>12.93%</td>
</tr>
<tr>
<td>Cumulative loan loss provision</td>
<td>118.4%</td>
<td>98.2%</td>
<td>84.6%</td>
</tr>
<tr>
<td>Liquid Assets / Icy Deposits</td>
<td>179%</td>
<td>55.7%</td>
<td>59.3%</td>
</tr>
<tr>
<td>Adjusted capital /Risk weighted assets</td>
<td>31.8%</td>
<td>12%</td>
<td>25.3%</td>
</tr>
<tr>
<td>P/E Ratio</td>
<td>13.88</td>
<td>13.21</td>
<td>22.73</td>
</tr>
<tr>
<td>EPS</td>
<td>173k</td>
<td>87k</td>
<td>11k</td>
</tr>
<tr>
<td>Average number of employees</td>
<td>1,067</td>
<td>729</td>
<td>484</td>
</tr>
<tr>
<td>Net earnings per staff (N'000)</td>
<td>36,696</td>
<td>29,018</td>
<td>19,635</td>
</tr>
<tr>
<td></td>
<td>MARCH 2008 BANK ACTUAL (N’m)</td>
<td>MARCH 2008 PROSPECTUS FORECAST (N’m)</td>
<td>% ACHIEVEMENT</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------------</td>
<td>--------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>GROSS EARNINGS</td>
<td>57,627</td>
<td>69,434</td>
<td>83%</td>
</tr>
<tr>
<td>NET INTEREST INCOME</td>
<td>22,431</td>
<td>29,669</td>
<td>76%</td>
</tr>
<tr>
<td>PROFIT BEFORE TAXATION</td>
<td>19,042</td>
<td>19,813</td>
<td>96%</td>
</tr>
<tr>
<td>PROFIT AFTER TAXATION</td>
<td>16,056</td>
<td>15,058</td>
<td>107%</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>1,043,465</td>
<td>676,051</td>
<td>154%</td>
</tr>
<tr>
<td>DEPOSIT LIABILITIES</td>
<td>351,789</td>
<td>494,824</td>
<td>71%</td>
</tr>
</tbody>
</table>
Financial Performance & Analysis
Financial Performance Analysis & Key Drivers

EARNINGS

BREAKDOWN OF NET EARNINGS

- Strong Earnings on back of increased funding support for key growth sectors of the economy – Telecoms, Oil & Gas, Manufacturing and Financial Institutions
- Market share growth in investment banking activities – Trading & corporate finance
Public sector contribution to our commercial bank’s revenue has grown significantly. Our nationwide branch coverage has enabled us to sign on several state & federal govt. accounts.

Investment banking income includes fees from major issuing house mandates; our Treasury Group is one of the strongest fixed income & FX players in the sub region. The Group a much stronger capacity for deal execution especially in the area of corporate finance.

Improved risk rating and the bank’s perception in the corporate market segment has contributed significantly to the Institutional banking profit.

Retail banking has not contributed significantly to current year profitability, but has significantly complemented our corporate & commercial bank’s business.
The Bank has successfully implemented cost savings strategy which has improved the cost/income ratio to 51% from 62%. This ratio, which is the best among the top 10 banks in Nigeria, is in line with our strategic objectives of achieving 45% by 2012.
ASSET QUALITY

Loans

Exposure by sector

Well diversified loan portfolio

The Risk Management Division of the bank has been strengthened by:

- The employment of highly skilled personnel
- Implementation of enterprise risk management framework
- Deployment of software for loan structuring, management and monitoring

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Ratio of delinquent credits to total loan improves from 8.8% in 2007 to 3.7% in 2008 as a result of the Bank’s strong credit culture and sound credit risk management practices.

The Bank more than fully provided for its problem loans as cumulative loan loss coverage improved to 118% (2007: 98%).

- Strong collateralisation policy. Low level of unsecured loans;
LIQUIDITY & FUNDING

- Diversified and stable funding mix
- A very liquid balance sheet with direct & indirect loans accounting for a low 21% of total assets.
- Strong customer’s confidence as evidenced by significant growth in deposit base
- Well diversified deposit base with 36% Corporates, 36% Individuals, 13% Financial Institutions and 14% Governments
- Leader in government securities trading
Strong Capital Position

• Public Offer was over subscribed by 243%

• Adequate capital to support business risks and contingencies

• Leveraged on strong relationship with local and international financial and investment institutions

• Shareholder’s equity increased by 505% to N172 Billion
Financial Performance Analysis & Key Drivers (Cont’d)

Strong Wealth Creation Capacity for Shareholders

- EPS increased by 1473% to 173k
- Pre tax ROAE at 19%, projected year end of 25%
First Quarter Highlight
First Quarter (April – June 2008) Highlight

<table>
<thead>
<tr>
<th></th>
<th>1ST QTR 2008 ($'m)</th>
<th>1ST QTR 2007 ($'m)</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Earnings</td>
<td>176</td>
<td>94</td>
<td>85%</td>
</tr>
<tr>
<td>PBT</td>
<td>68</td>
<td>34</td>
<td>98%</td>
</tr>
<tr>
<td>Estimated Taxation</td>
<td>(16) (1,928)</td>
<td>(8) (973)</td>
<td>98%</td>
</tr>
<tr>
<td>PAT</td>
<td>52</td>
<td>26</td>
<td>98%</td>
</tr>
</tbody>
</table>

• Continued strong performance on all operating divisions

Breakdown of Profit by Strategic Business Unit

- Institutional Banking, 62%
- Commercial Banking, 26%
- Investment Banking, 12%
Conclusion
Conclusion

- Nigerian banking sector set to continue its strong growth
- Access in a very strong position to capitalise on this due to excellent foothold in all sectors and strong balance sheet
- Firm strategy in place for the future and continued deliverance of shareholder value
THANK YOU