

»»» ACCESS BANK PLC

Q1 2009 RESULTS PRESENTATION TO INVESTORS AND ANALYSTS

20 July 2009

»»» Presentation Outline

»»» Resilient Performance Delivered

»»» Transparently Profitable

»»» Cost Efficiency Delivers Value

»»» Lean and Agile Business Model

»»» Balance Sheet Management

»»» Conservative Risk Posture Pays Off

»»» Regulatory and Market Environment

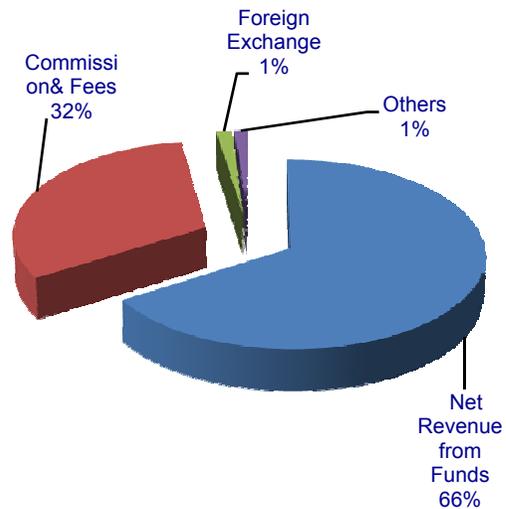
»»» Q2 2009 Game Plan

Q1 2009 Performance Highlights

Transparently Profitable

- Pre-tax profit
N6.1bn (\$41.6m)
- After-tax profit
N4.8bn (\$32.7m)
- Cost to income
ratio 44%

Sustainable Revenue Streams



Healthy Balance Sheet

- Shareholder Equity
N189.4bn (\$1.3bn)
- Capital adequacy ratio:
34.7%
- NPL ratio: 2.97%

Resilient Earnings Performance

Income Statement - Bank

Naira million	Bank Q1 2009	Bank Q4 2008	Bank Q1 2008	% Change Q1 09 Vs Q4 08
Gross Earnings	<u>26,645</u>	<u>27,427</u>	<u>20,577</u>	-3%
Net Interest Income	13,352	8,974	9,045	49%
Other Operating Income	4,778	9,146	5,242	-48%
Operating Expenditure	(8,013)	(8,430)	(6,252)	-5%
Operating Profit	10,118	9,240	8,036	10%
Exceptional Item***	(4,061)	(4,537)	0	-10%
Profit Before Tax After Exceptional Item	6,056	4,703	8,036	29%
Estimated Taxation	(1,211)	(941)	(1,929)	29%
Profit After Tax	4,845	3,762	6,107	29%

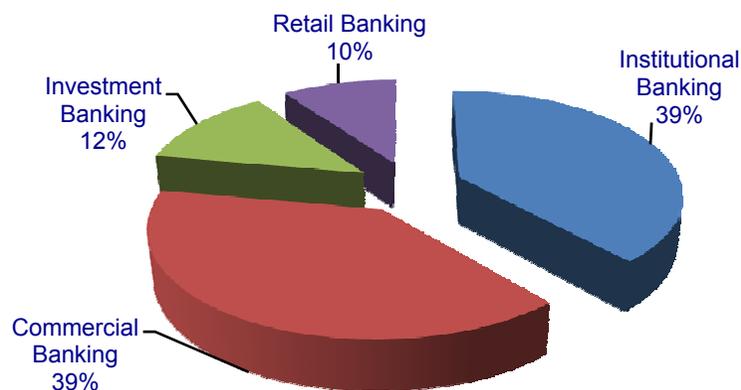
*** N2.1bn General Risk Reserve plus N1.9bn Specific Provision

Resilient Earnings Performance

Profitability By Business Segment: Retail Banking Still Leads Growth Charts

	Retail Banking			Commercial Banking			Investment Banking			Institutional Banking		
Naira Million	Q1 2009	Q1 2008	% Change	Q1 2009	Q1 2008	% Change	Q1 2009	Q1 2008	% Change	Q1 2009	Q1 2008	% Change
Gross Earnings	2,181	825	164%	10,037	7,894	27%	1,658	1,534	8%	12,770	10,323	24%
Net Earnings	1,376	623	121%	8,763	6,151	42%	1,146	1,183	-3%	6,235	6,331	-2%
PBT After Exceptional Item	542	372	46%	2,340	1,767	32%	1,008	947	6%	2,166	4,950	-56%

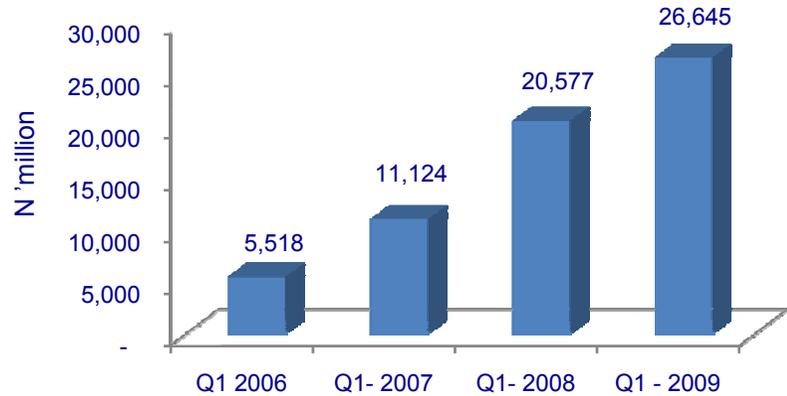
Q1 2009 Profit Before Tax



Resilient Earnings Performance

Income Statement Analysis - Bank

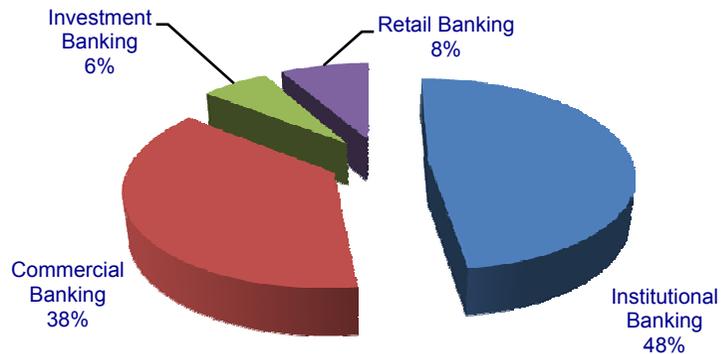
Gross Earnings



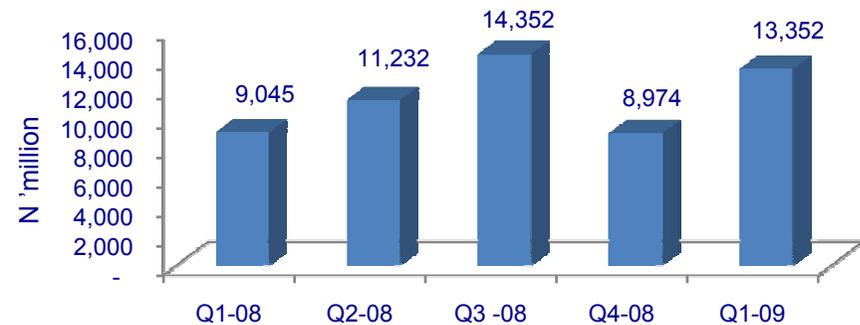
Net Interest Income



Gross Earnings By Business Segment



Net Interest Income Per Quarter



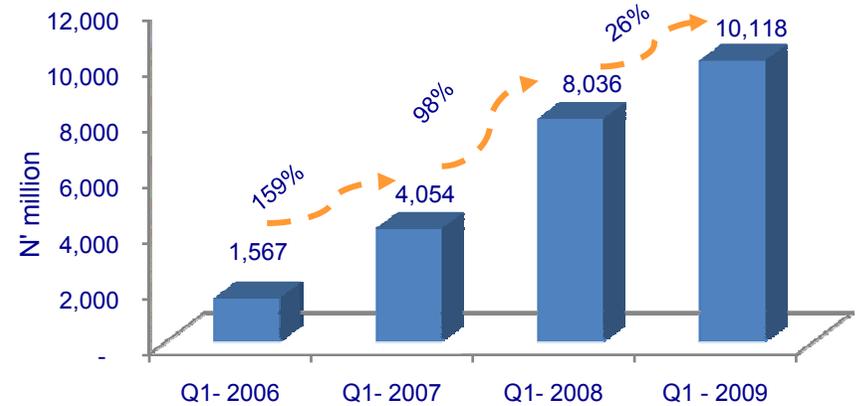
Resilient Earnings Performance

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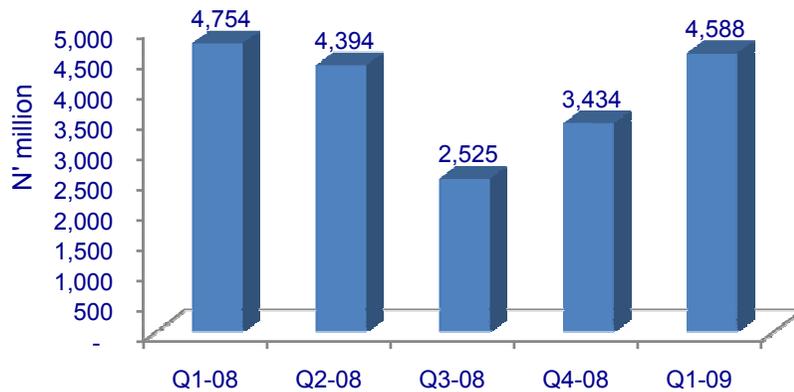
Net Commission & Fees



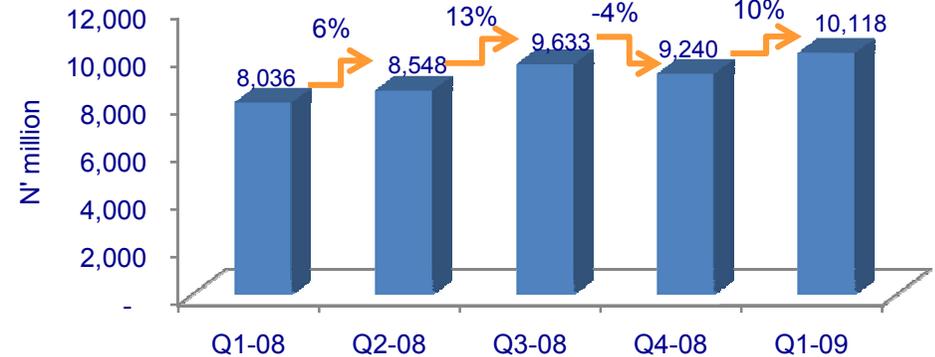
Operating Profits Before Exceptional Item



Net Commission & Fees Per Quarter



Operating Profit Before Exceptional Item Per Quarter



Resilient Earnings Performance

Income Statement - Group

Naira million	Group Q1 2009	Bank Q1 2009	Subsidiaries Q1 2009	% Change Grp Vs Bank
Gross Earnings	<u>30,205</u>	<u>26,645</u>	<u>3,560</u>	13%
Net Interest Income	14,561	13,352	1,208	9%
Other Operating Income	6,355	4,778	1,577	33%
Operating Expenditure	(11,724)	(8,013)	(3,711)	46%
Operating Profit	9,192	10,118	(926)	-9%
Exceptional Item	(4,230)	(4,061)	(169)	4%
Profit Before Tax After Exceptional Item	4,962	6,056	(1,094)	-18%
Estimated Taxation	(992)	(1,211)	(130)	-18%
Profit After Tax	3,970	4,845	(1,224)	-18%

Resilient Earnings Performance

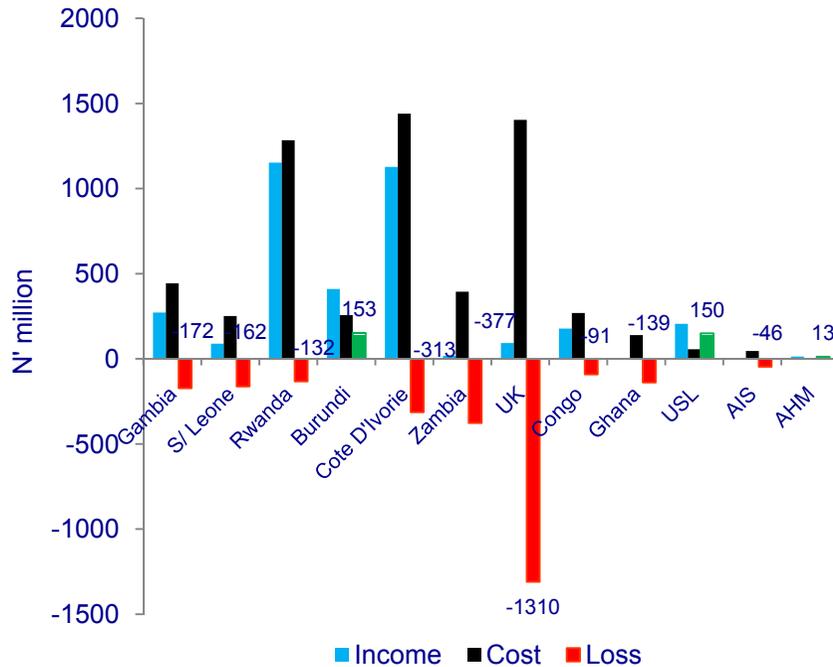
Subsidiaries Performance - Profitability By Country

Naira Million	Gambia	Sierra Leone	Burundi	Congo	Rwanda	Cote d'ivoire	UK	Zambia	Ghana	Others - Non banking	Total
Net Interest Income	78	79	141	76	479	206	70	10	17	52	1,208
Provision for loan loss	(13)	(17)	(13)	0	(126)	0	0	0	0	0	(169)
Other operating income	196	55	194	92	367	255	136	77	0	205	1,577
Net operating income	261	117	323	169	720	461	206	87	17	258	2,619
Operating expenses	(230)	(162)	(212)	(230)	(583)	(784)	(734)	(337)	(230)	(210)	(3,712)
Profit Before Tax	31	(45)	110	(61)	137	(323)	(528)	(251)	(213)	47	(1,094)

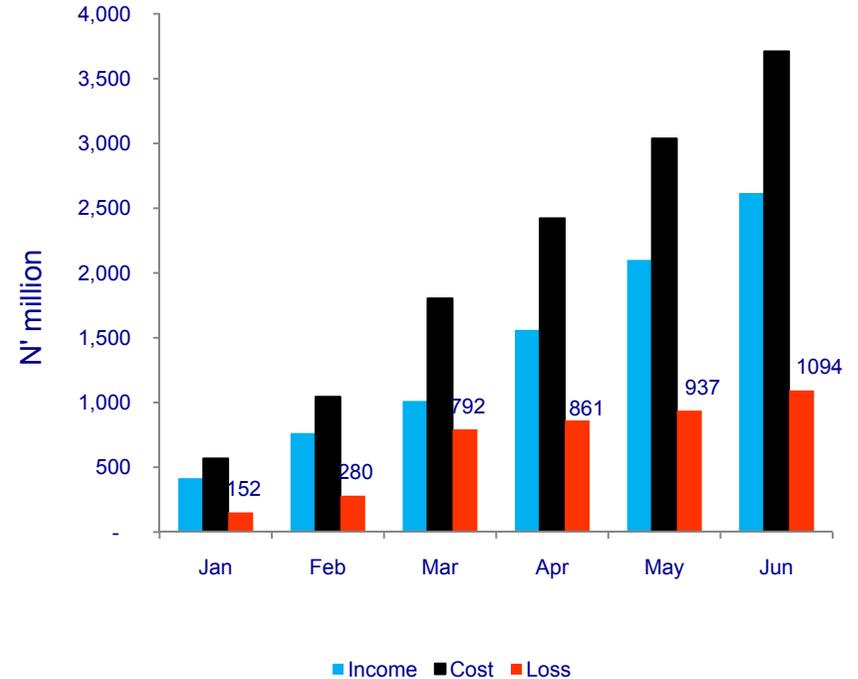
Resilient Earnings Performance

Subsidiaries - Actual and Projected Performance

Jan 08- Dec 08 Actual Performance



H1 2009 Cumulative Actual Performance



- Negative Profit contribution from subsidiaries to cease by December 2009

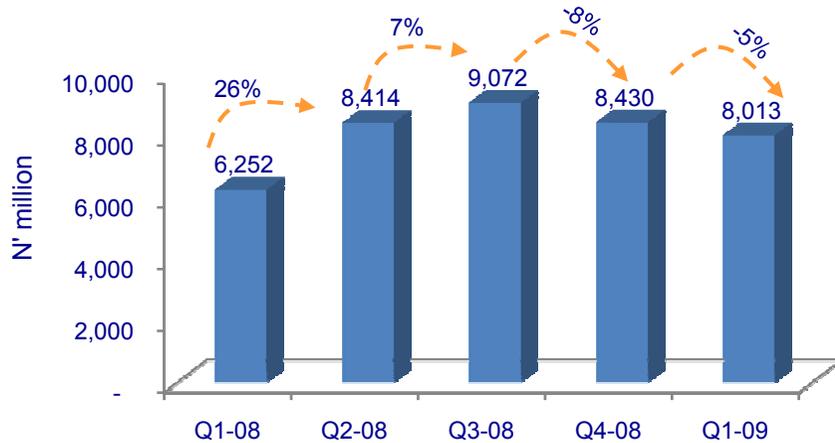
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- »»» **Cost Efficiency Delivers Value**
 - »»» **Lean and Agile Business Model**
- »»» Balance Sheet Management
 - »»» Conservative Risk Posture Pays Off
- »»» Regulatory and Market Environment
- »»» Q 2 2009 Game Plan

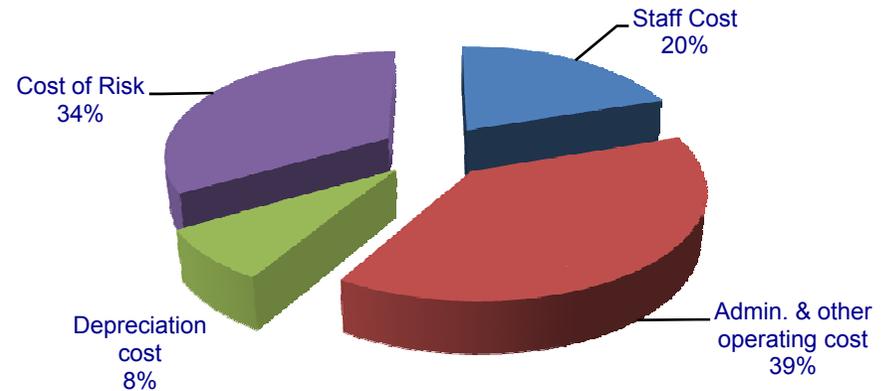
Cost Efficiency Delivers Value

Lean and Agile Business Model

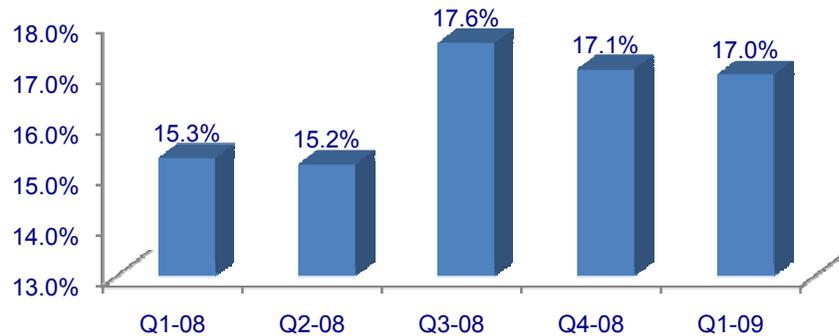
Operating Expenses Per Quarter



Q1-2009 Breakdown of Cost



Staff cost / Net Earnings



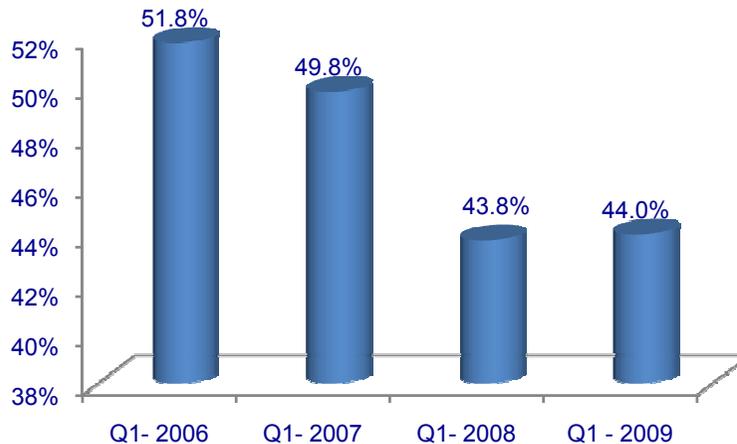
- 110 branches least among Nigerian banks
- 1,425 staff (Nigeria)
- 216 ATMs
- Best Efficiency ratios



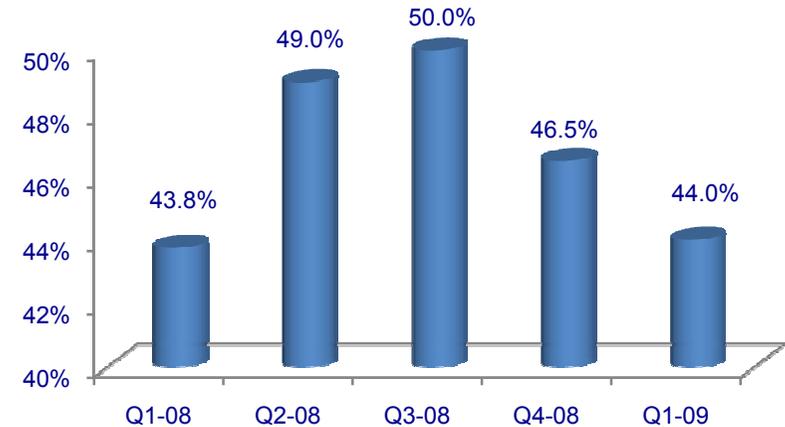
»»» Cost Efficiency Delivers Value

Lean Mean Business Model

Cost to Income Ratio



Cost to Income Ratio Per Quarter



- Cost to income ratio stable at 44%.
- Started the implementation of various cost management initiatives, which resulted in 5% reduction in operating expenses between Q4, 2008 and Q1,2009
- Engaged the services of Oliver Wyman in developing a lean and agile growth strategy focused on strategic cost management and revenue enhancement

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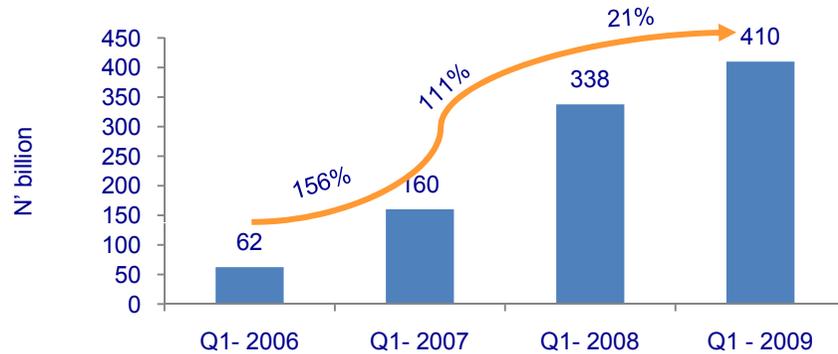
Balance Sheet - Bank

Naira (million)	Bank Q1-2009	Bank Q4-2008	Bank Q1-2008	% Change
Cash and Short term funds	81,555	135,321	75,358	-40%
Government Securities	46,927	73,495	85,505	-36%
Trade Credit Facilities	22,446	18,501	55,988	21%
Loans and Advances	384,253	373,186	277,912	3%
Advances under Finance Lease	3,280	3,726	3,734	-12%
On-Lending Facilities	5,490	5,096	7,301	8%
Other Assets	50,918	15,845	60,621	221%
Long term investments	29,940	29,971	14,206	0%
Fixed Assets & Equip. on lease	19,802	19,724	15,841	0%
Total Assets	644,611	674,865	596,466	-4%
Deposits & Other Accounts	340,444	405,657	236,763	-16%
Advances Under LC	15,114	13,228	53,937	14%
Due to Banks	10,338	17,284	23,263	-40%
On-lending Facilities	15,186	5,143	8,405	195%
Access Bond	5,976	8,961	11,948	-33%
Other Liabilities	68,120	39,761	81,645	71%
Shareholders' Equity	189,434	184,831	180,506	2%
Total Liabilities and Equity	644,611	674,865	596,466	-4%

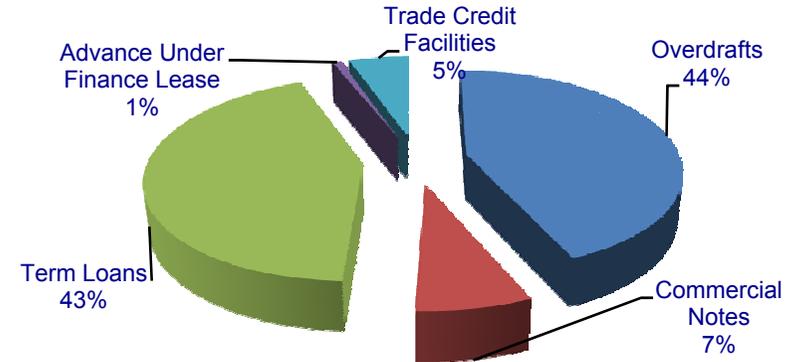


Balance Sheet Analysis

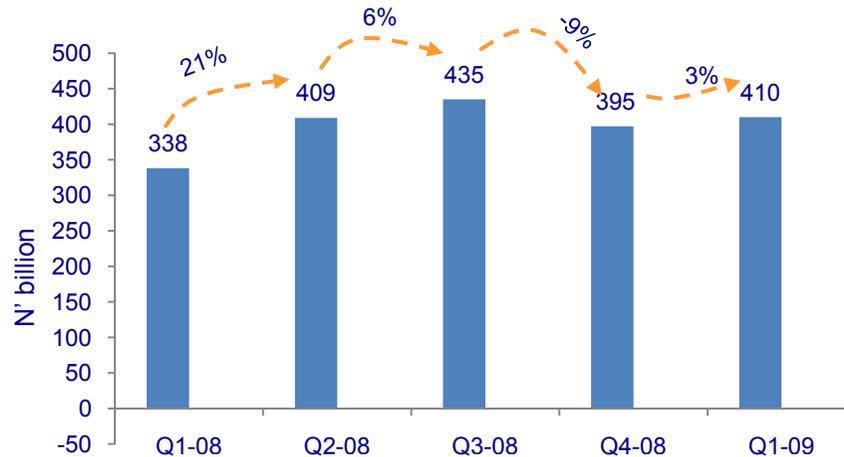
Loans and Advances



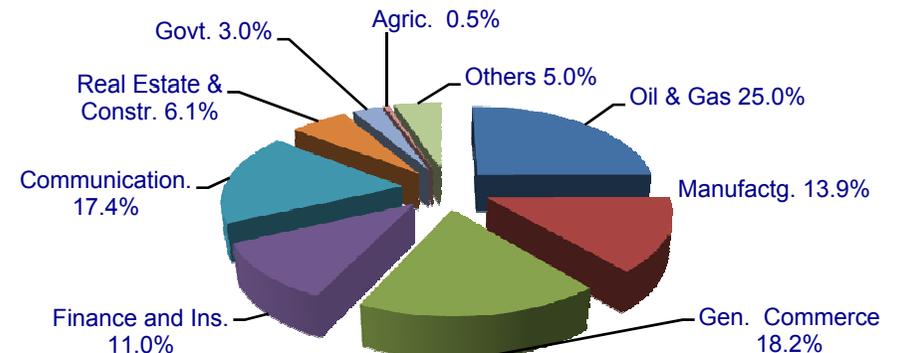
Loan Book By Products



Quarterly Growth in Net Loans



Loan Distribution By Industry



- Limited exposure to public sector
- Oil & Gas exposure reducing



Balance Sheet Analysis

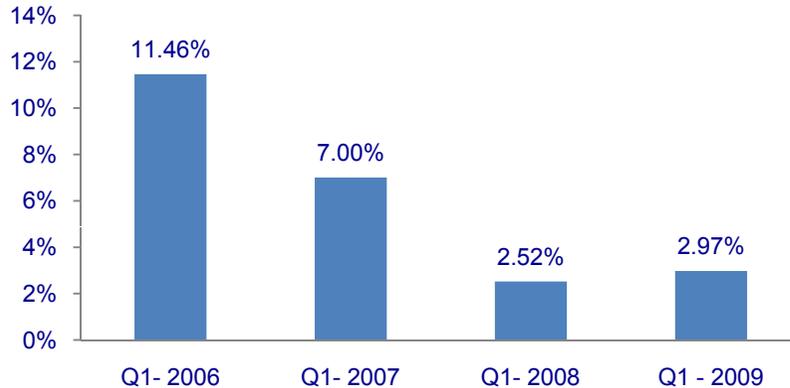
Update On Margin Lending

	September 2008	March 2009	June 2009
Total Risk Assets	409,200	395,413	409,979
Margin Loans	40,772	33,332	25,473
% Margin Loans/Total Loans	10%	8%	6%
Performing	40,772	30,572	22,039
Non Performing	-	2,570	3,434
Provisions - Non Performing	-	2,570	3,434
Aggregate Collateral Value (Includes Shares, Real estate and Cash)	51,984	34,828	21,359
% Coverage	127%	104%	84%

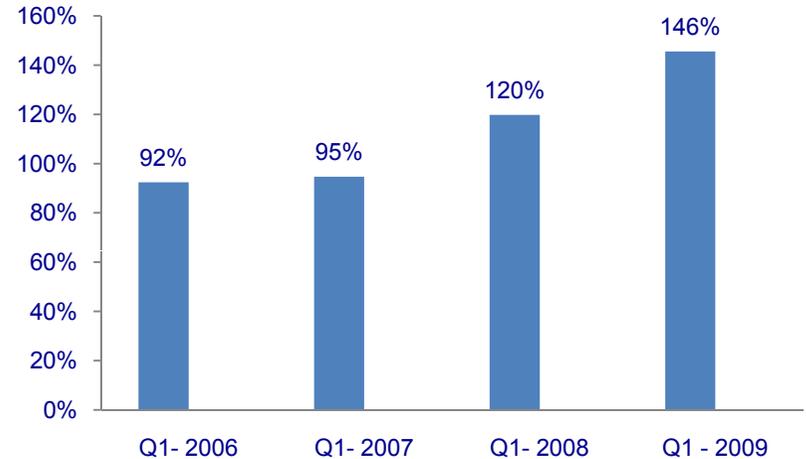


Balance Sheet Analysis

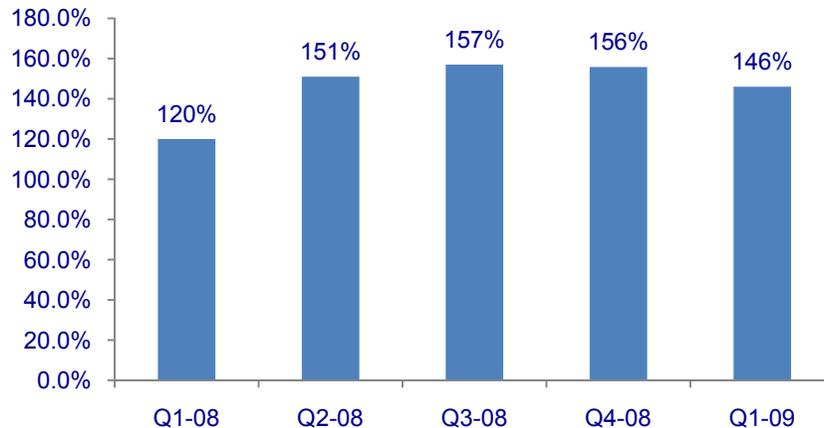
Non-Performing loans/Total Loans



Cumulative Provisions on Non-Performing Loans



Cumulative Provisions on NPLs per Quarter



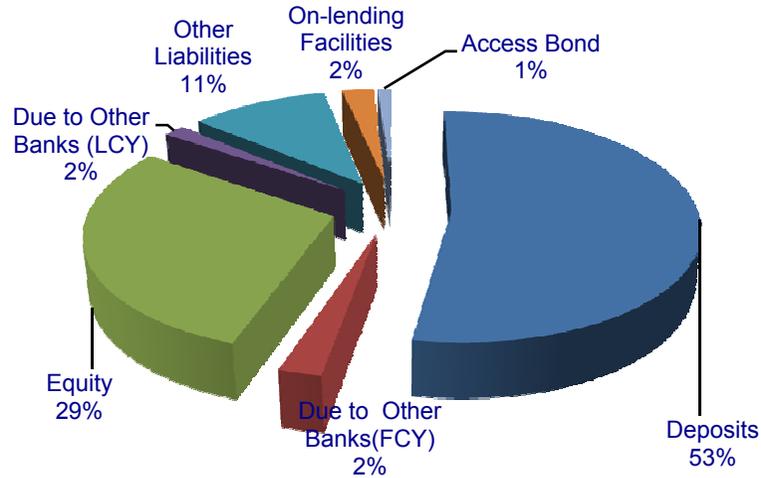
- Continuous diversification of loan book and reduction in industry concentration.
- Flat Loan growth at 3%
- Continued improvement in asset quality as evidenced in the NPL ratio and cumulative provision on NPL.



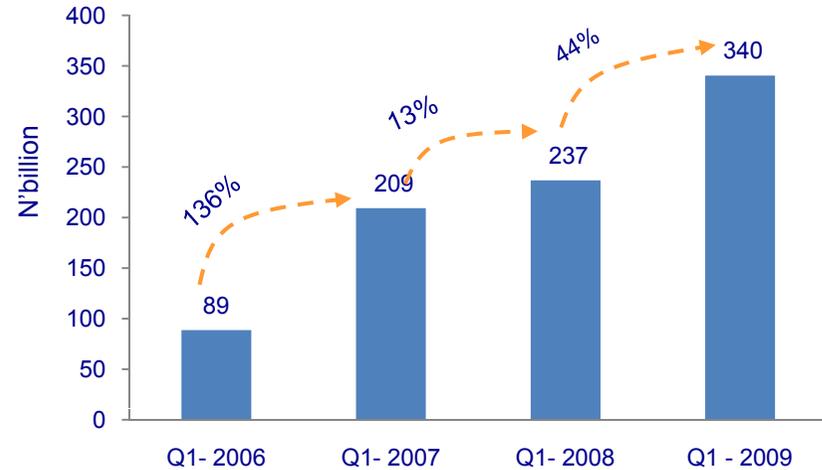
Balance Sheet Analysis

Funding and Liquidity

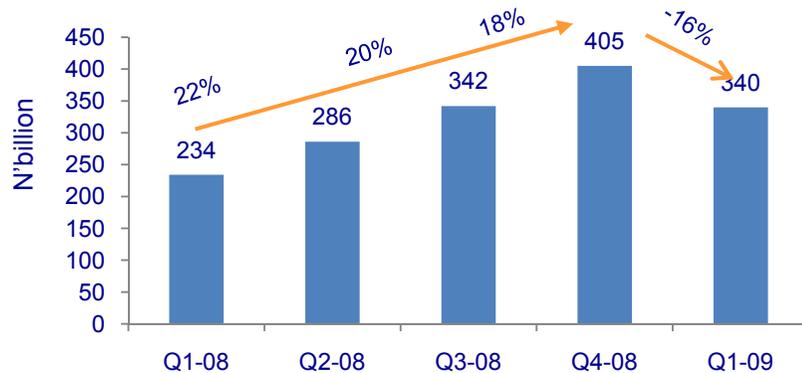
Breakdown of Funding



Deposits from customers



Quarterly Growth in Deposits

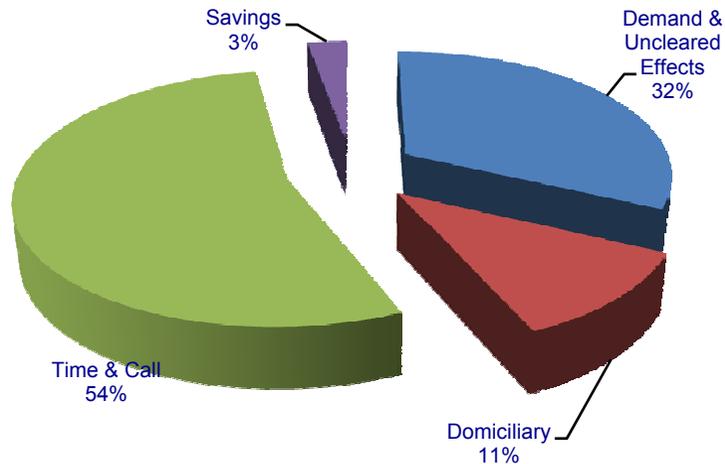


- Diversified and stable sources of funding
- Deliberately exited Financial institutions funding during Q1 2009 to improve NIM

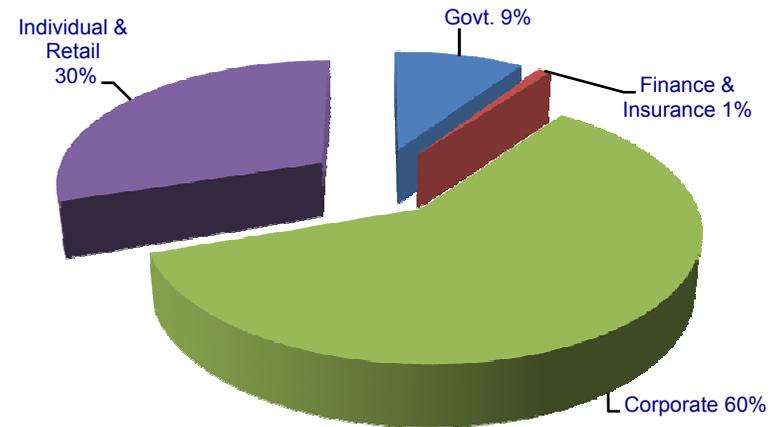
Balance Sheet Analysis

Funding and Liquidity

Deposit Mix By Product



Deposit Mix By Customer Type



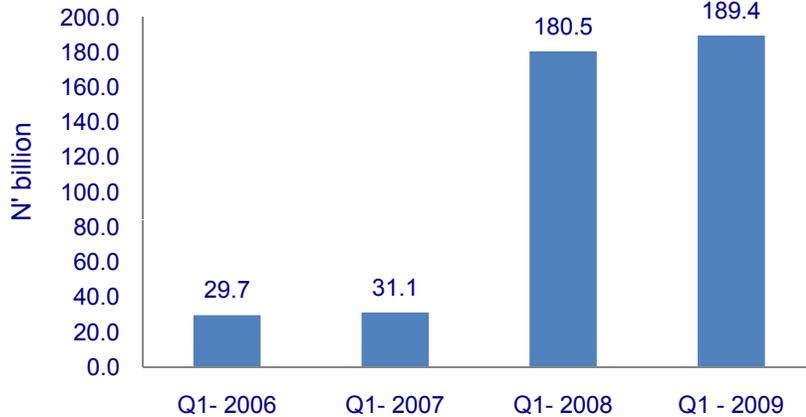
- Growing market share of individual deposits
- Manageable exposure to public sector funds, accounting for 9% of total deposits
- Looking at the possibility of bond issue later in the year
- Commenced the implementation of project 100 /100 liability generation strategy
- Expand share of non-Bank FI's in a structured fashion



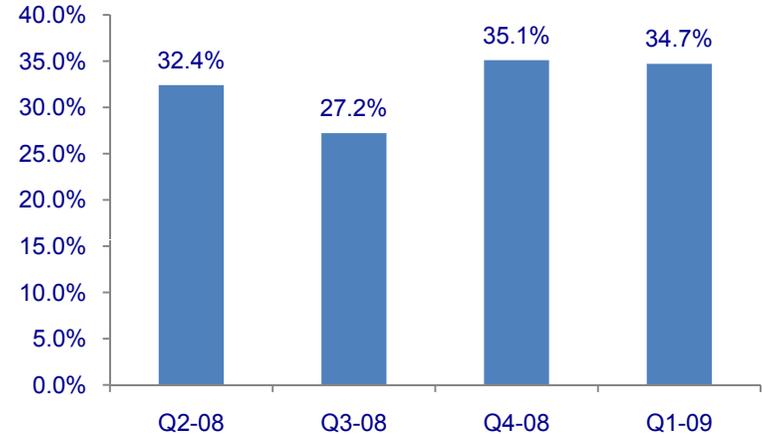
Balance Sheet Analysis

Capital Adequacy

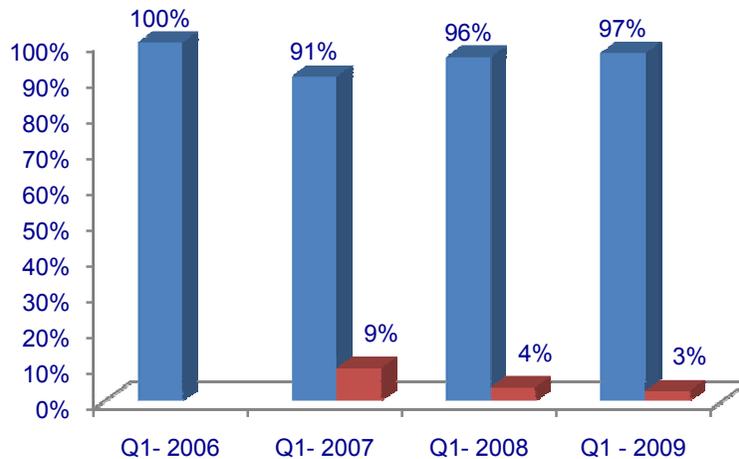
Shareholder equity



Basle Ratio



Capital Structure Mix



- Strong and adequate capital, which adequately supports business risks and contingencies
- Capital adequacy one of the strongest in the banking industry
- Enables us to take advantage of emerging market opportunities



Balance Sheet Management

Conservative Risk Posture Dominated Q1 Actions

- Board and Senior Executive team spend significant time on elevating the Enterprise Risk Management Framework to international standard
- Cost of risk now monitored and entrenched into performance management system
- Alignment of credit risk management to risk assets generation and management strategy
- Dynamic management of risk asset portfolio (daily, weekly, monthly review of watch-listed accounts, monthly Rapid Portfolio Review).
- Dual 'ownership' and responsibility of risk assets between Credit Risk Management staff and Account Officers
- Commenced the Implementation of Basle II
- Implementation of the Group Asset and Liability management framework has commenced
- Continued improvement of Economic and Market Intelligence capability

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Regulatory and Market Environment

Regulatory Policy Direction

INTEREST RATES
<ul style="list-style-type: none">• Downwards pressure on spread interest rate• Restoration of confidence in Interbank market• Improvement expected in Fixed income activities• Bonds as an alternative funding source for banks and corporates

FOREIGN EXCHANGE
<ul style="list-style-type: none">• Liberalization of the Foreign exchange market• Increase in Net Open Position (NOP) of banks• FX rates and reserves protection deemphasized

MARKET SUPERVISION
<ul style="list-style-type: none">• Enforcement of code of corporate governance• Greater co-ordination amongst regulators• Enhanced supervision and zero tolerance for improper or wrong disclosures• Concerns about public sector deposit and loan concentration• Use of experts to design resolution framework for insolvent banks.• Stress testing of banks to determine vulnerability to shock• Consolidation of and sharing of resources and rationalising excess to reduce cost

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Q2 2009 Game Plan

Q2 Game Plan

- Group Treasury back in business
 - Expect strong revenue contributions from Fixed income and Interbank FX trading
 - Continued dominance of Nigeria's trade finance market
- Implementation of Oliver Wyman's lean growth strategy to protect our cost-to-income ratio.
- Reactivation of dormant accounts.
- Leverage our Shareholders' funds to win mandates from top tier multinationals
- Further reduction of margin loans and oil and gas exposures

Q2 Game Plan

- Continued reallocation of resources to protect our risk adjusted earnings
- Focus on deriving synergies from African presence and network
- Full compliance with CBN's policy on provisioning, stress testing and other macro prudential reforms
- We continue with risk reserve provisioning

»» Thank You

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