

Company Research

Offer Highlights

| | |
|--|--------------|
| Opening date | 14 May 2007 |
| Closing date | 21 Jun. 2007 |
| Total shares on offer (bn) | 3.1 |
| Shares outstanding post offer (bn) | 13.6 |
| Current Market Price (N) | 40.4 |
| Public Offer Price (N) | 33.0 |
| Rights Issue Price (N) | 31.0 |
| Market Cap. post offer (Nbn) | 549.4 |
| Market Cap. post offer (US\$bn) | 4.3 |
| Forecast DPS 08 (N) | 1.2 |
| 2008 dividend yield at offer price (%) | 3.7 |
| 2008 Forward P/E | 16.6 |
| 2006 Return on average equity (%) | 31 |

Equity Research

Wole Famurewa
Tel:+234 1 270 1680 Ext 133
wfamurewa@afriinvestwa.com

Olatorera Omilani
Tel:+234 1 270 1680 Ext 152
oomilani@afriinvestwa.com

Ngozi Ogbonna
Tel:+234 1 270 1680 Ext 116
nogbonna@afriinvestwa.com

Sadiq Waziri
Tel:+234 1 270 1680 Ext 159
swaziri@afriinvestwa.com

Pabina Yinkere
Tel:+234 1 270 1680 Ext 170
pyinkere@afriinvestwa.com

Investment Summary

Nigeria's oldest bank - a reengineered franchise....

- The recruitment of accomplished senior banking professionals and improvements in credit policies are the highlights of the ongoing reengineering of Nigeria's oldest and third largest lender.
- Strong growth in its retail operations have supported its leadership position in the corporate banking sector. The bank's return on average equity at 31% is the highest in the industry.

....raising capital to consolidate leadership position

- After raising \$175m recently from the international capital market through a Eurobond issue, First Bank plans to raise an additional N100bn (\$779m) to fund investments in ICT, new and existing branches, and to capitalise new and existing subsidiaries. The offer is the largest share offering in the history of the Nigerian capital market.
- Investment in branches will facilitate the mobilisation of deposits to fund large ticket transactions for corporate clients and the growth of its potentially lucrative consumer banking business.
- First Bank is also amassing a war chest for the possible acquisition of smaller players in and outside Nigeria as another round of banking consolidation gathers momentum.

Growing economy presents opportunities for future growth....

- Following the re-capitalisation and consolidation of the banking industry from 89 to 25 banks in 2005, Nigerian banks are now focused on tapping the opportunities presented by a market of 140 million people and an economy that is forecast to expand by over 5% annually in 2007 and 2008.
- Infrastructural developments and the expanding oil, gas and telecoms sectors provide significant opportunities to create risk assets.
- Additionally, there is the potentially lucrative and relatively untapped retail sector and a large informal economy.

...but there is competition..

- Increasing competition from local and foreign players will put pressure on First Bank's margins and market share.

..and political risk

- A change of government on May 29, 2007 adds to the uncertainty surrounding the continuity of policies that have supported robust economic growth.

The First Bank share offering is offered at a valuation metrics of 17x forward P/E and 3.7% dividend yield. Furthermore, at the offer price of N33, First Bank is valued at 5.6x book value but only 2.7x its post offer book value. In our view, this share offering is an opportunity to buy a significant block of shares in a large bank with a compelling growth story at an attractive 18% discount to the current market price. **We therefore consider First Bank a buy for medium and long term oriented accounts.**

Nigeria Economy Review

The conditions required for Nigeria to emerge and reach its true economic potential are becoming apparent

During the decades of military rule up to 1999, Nigeria grappled with political instability, corruption, inadequate infrastructure, and poor macro-economic management. However, over the last eight years, a civilian administration has taken bold steps to implement reforms. A combination of macro-economic reform, fiscal discipline amid an oil windfall, debt reduction, increasing transparency and a complete overhaul of the banking sector has created the framework for Nigeria to move away from being a dual economy to achieving its rightful place as one of two economic powerhouses in sub-Saharan Africa.

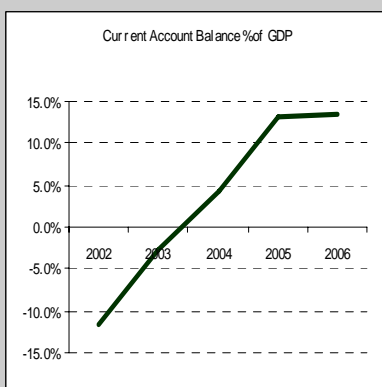
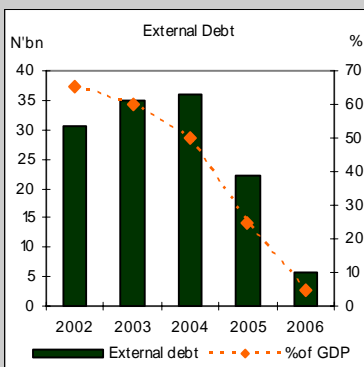
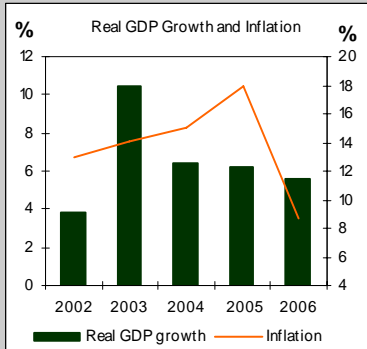
In 2003, the Nigerian government instituted the National Economic Empowerment Development Strategy (NEEDS), an IMF backed economic reform programme launched after Nigeria pulled out of an IMF program in 2002. Highlights of the reforms carried out under the NEEDS programme include an ambitious banking consolidation, liberalisation of the foreign exchange market, establishment of an anti-corruption agency, restructuring and privatisation of state-owned enterprises and deregulation in the telecommunications, oil and gas, mining, minerals and power supply sectors.

High oil prices and fiscal discipline have supported the restructuring of the country's balance sheet. Over the last 3 years, Nigeria has built up foreign reserves from \$16bn 2004 to \$43bn in April 2007, despite paying a total of \$12 billion to the Paris Club of Creditors in a historic debt relief deal. Debt owed the London Club were also subsequently retired. The country's total external debt therefore declined from \$35bn in 2005 (24% of GDP) to \$3bn (2% of GDP) today. The balance of the external debt now consists mainly of multilateral loans.

Fitch Ratings (Fitch) and Standard and Poor's maintained long term foreign and local currency issuer default ratings of BB- for Nigeria in 2007. Fitch also maintained Nigeria's short term rating of B. Both ratings came with a stable outlook. In its review, Fitch indicated that the government's financial ratios were better than the "BB" category median, stating that Nigerian gross external debt at 5.5% of GDP in 2006 was the lowest of any country so rated. However, inadequate infrastructure, weak institutions and governance, and a lack of economic and social development relative to its rating peers constrained Nigeria's rating.

A campaign against corruption has been led by the Economic and Financial Crimes Commission (EFCC), which was set up in 2003 to tackle corruption at all levels. It has since recovered over \$5 billion in stolen assets while indicting high profile government officials, including a former Inspector-General of Police and several serving state governors. As a reflection of the impact of the government's anti-corruption initiatives, Nigeria's ranking on the Transparency International's list of the world's most corrupt countries has improved steadily from 2nd in 2001 to 6th and 14th in 2005 and 2006 respectively. Furthermore, following a review of progress made by the EFCC to tackle financial crimes, Nigeria was delisted in June 2006 from the Financial Action Task Force (FATF) list of non-cooperative countries in the fight against money laundering. Similarly, the United States Department of Treasury has removed Nigeria from the list of non-cooperative countries in the fight against money laundering.

According to provisional figures released by the Central Bank, Nigeria's GDP grew by 5.6% in 2006 to \$142 billion, down from 6.5% in 2005. 2006 growth was driven by the non-oil sector which expanded by 8.9%; the oil sector on the other hand declined by 4.6% as unrest in the Niger Delta stunted oil production. The largely informal agricultural sector (41% of 2005 GDP) remains the largest contributor to total GDP, followed by crude oil and gas (24% of



Year-on-year inflation has remained below 10% since May 2006 while the 12-month moving average inflation for 2006 was 8.2%, the lowest level since 1999.

Nigeria Economy Review (continued)

2005 GDP). The telecommunications sector, which grew by 32% in 2006, only accounts for 1.5% of GDP. Real GDP growth, which has exceeded 5% since 2003 has been driven largely by non-oil sector growth. The IMF estimates growth of 8.2% in 2007.

Official inflation (year-on-year) has fallen sharply to 4.2% in April 2007, reflecting stable food prices and the impact of measures taken by the Central Bank to reduce excess liquidity in the economy over the past year. These include the introduction of a benchmark monetary policy rate in December 2006, which has reduced interest rate volatility in the inter-bank market. Strong growth in the agricultural sector has limited food price inflation and a stable naira has kept import prices under control. Year-on-year inflation has remained below 10% since May 2006 while the 12-month moving average inflation for 2006 was 8.2%, the lowest level since 1999.

Cautious optimism has trailed the victory of the ruling People's Democratic Party (PDP) in controversial general elections held in April 2007. Umaru Musa Yar'Adua, the current governor of the northern Katsina State, was elected for a 4-year tenure as President and will succeed President Olusegun Obasanjo on May 29, 2007. However, reports of widespread vote rigging trailed the polls, which Yar'Adua won by a wide margin. Opposition parties are challenging the result at an elections tribunal. In the meantime, Yar'Adua has reiterated his intention to continue the economic policies of the outgoing President Obasanjo.

Among these policies is the push for much needed investments in infrastructure. Projects high on the agenda include investments in electric power plants and Nigeria's transportation system, which have fallen into disrepair following many years of neglect. While building new power plants, the Federal Government is also seeking private sector participation in its campaign to boost electric power generation from 3,000 megawatts to 10,000 megawatts by the end of 2007. Meanwhile, Yar'Adua will be under pressure to execute an ambitious railway project. In October 2006, Nigeria signed an \$8bn contract with the China Civil Engineering Construction Corporation (CCECC) to build a railway line connecting the country's two main commercial cities, Lagos and Kano.

Another pressing issue on the new government's agenda is the search for a political solution to the incessant militant attacks on oil installations in the country's oil-rich Niger-Delta region, which have forced oil companies to shut down a fifth of Nigeria's oil exports.



Banking Sector Overview

The injection of fresh capital and robust economic growth have underpinned the growth of the Nigerian banking sector since July 2004.

The level of financial intermediation in Nigeria is low with 2005 money supply at 24% of GDP compared to 32% of GDP in middle income countries in sub-Saharan Africa (excluding South Africa) and an average of 250% for the developed and industrialised world.

Prior to the sweeping reforms introduced by the Central Bank of Nigeria (CBN) in 2004, Nigeria's banking industry was fragmented with 89 banks competing for a limited pool of deposit funds and corporate customers. Strong revenue growth was largely driven by income from foreign currency arbitrage, cheap deposits from the public sector and other opportunistic transactions.

Nigerian banks were also reluctant to lend to the economy. This reflected inefficiencies in the judicial system governing debt recovery and shortcomings in corporate governance practices. Weak corporate governance and poor asset quality added to structural weaknesses which had prevented banks from responding to the needs of the economy and participating effectively in the key sectors of the economy such as the oil and gas sector.

In a bid to overhaul the banking system and to prevent the reoccurrence of the spate of bank failures recorded in the 1980s, the CBN pushed through far reaching reforms in 2004. Among the major changes was the review of the minimum capital requirement for banks operating in Nigeria from N2 billion to N25 billion (\$195m). Banks were given 18 months to comply with the requirement or be closed.

The rounds of capital raising, mergers and acquisitions that followed the announcement have changed the face of banking in Nigeria. The most glaring change is the dramatic decline in the number of banks from 89 to 25 which reflects several mergers and/or acquisitions while the Central Bank revoked the banking licences of 14 banks that failed to recapitalise or merge before the deadline. Meanwhile, over N406 billion was raised from the capital market of which the CBN verified N360 billion. The capital raising exercise attracted \$660 million in foreign direct investment. In the process, the banking sector increased its dominance of the stock market. Banks presently account for 53% of the total market capitalisation of the Nigerian Stock Exchange, up from 38.4% in 2004 and 2.4% in 1996.

Afrinvest Research estimates that the value of the total assets of the 25 banks operating in Nigeria is N6.2tn (\$48bn) or 34% of GDP. The market is segmented with the top ten banks accounting for N4.5tn (\$35bn) or 74% of the industry total balance sheet. We estimate that the bottom 10 banks, including 5 banks yet to release audited results since the 2005 recapitalisation exercise, account for less than 15% of industry total assets.

A new competitive environment is emerging in the banking sector. Specifically, the oligopolistic structure of the industry is being redefined by the rapid growth of "new generation" banks. For example, Zenith Bank - one of several dynamic relative newcomers - is now the largest bank by market capitalisation, and 4th largest by assets. Former relative heavyweights such as Wema Bank and Afribank no longer rank among the top ten by assets.

International banks are also emerging as an integral part of the new competitive environment. Prior to the recapitalisation of the industry only three international banks - Standard Bank of South Africa, Citigroup, Standard Chartered Bank owned Nigerian subsidiaries. However, international interest in the Nigerian banking sector has been growing with opportunities to enter the market being reviewed constantly. Presently, fourteen international banks/ asset managers have entered strategic partnerships with Nigerian banks for the management of the nation's external reserves. This has been followed by increased debt and/or

Top ten Nigerian Banks, 2004 Ranked by assets—N bn

| Bank | Asset Base |
|-----------------|------------|
| Union Bank | 418 |
| First Bank | 384 |
| Zenith | 215 |
| UBA | 212 |
| Intercont. Bank | 203 |
| GT Bank | 185 |
| Standard Trust | 136 |
| Oceanic | 86 |
| Afribank | 86 |
| Wema Bank | 71 |

Top ten Nigerian Banks, 2007 Ranked by assets—N bn

| Bank | Asset Base |
|-----------------|------------|
| UBA | 884 |
| Union Bank | 667 |
| First Bank | 614 |
| Zenith | 609 |
| GT Bank | 486 |
| Oceanic | 372 |
| Intercont. Bank | 369 |
| Diamond Bank | 228 |
| Skye Bank | 178 |
| Access Bank | 175 |

Source: Company accounts (Fiscal year ends may differ)



Banking Sector Overview (continued)

equity participation in selected banks by a number international banks, multi-lateral agencies and portfolio investors. In February 2007, Standard Bank and IBTC Chartered Bank (IBTC) executed a memorandum of understanding (MOU) for Standard Bank to acquire a controlling stake in IBTC as part of a \$1.6 billion-deal that includes the merger of Standard Bank's Nigeria subsidiary (Stanbic Bank) with IBTC. Others are expected to increase their focus on Nigeria by either investing debt or equity in Nigerian banks or by setting up representative offices.

Alliances for the management of Nigeria's external reserves

| Local Banks | Foreign Partners |
|-----------------------|------------------|
| Access Bank | ABN Amro |
| Diamond Bank | Crown Agents |
| Ecobank | ING |
| Fidelity Bank | Investec |
| First Bank | HSBC |
| GT Bank | Morgan Stanley |
| IBTC Chartered Bank | Credit Suisse |
| Intercontinental Bank | BNP Paribas |
| Oceanic Bank | Cominvest |
| Platinum Habib Bank | Fortis |
| Stanbic Bank | Bank of New York |
| UBA | UBS |
| Union Bank | Black Rock |
| Zenith Bank | J P Morgan |

Recent Strategic Investments in Nigerian Banks

| BANK | INTERNATIONAL INVESTORS | INVESTMENT |
|--------------------------|---|---|
| Access Bank | Netherlands Development Finance Company (FMO) | \$35m convertible loan |
| Diamond Bank* | Actis Africa Fund | \$134m equity investment |
| First City Monument Bank | Soros Private Equity, Helios, The Commonwealth Development Corp., Overseas Private Investment Corp. | \$78.1m for 15% equity stake |
| | HSBC | \$100m structured credit linked notes |
| IBTC Chartered* | Standard Bank Group | Proposed Merger and Tender Offer |
| IBTC Chartered | IFC | \$30m convertible loan converted into 3.5% equity stake |
| Intercontinental Bank | Vectis Capital, EMP Africa Fund II, AIG Global Emerging Markets Fund II, L.P., Rand Merchant Bank and RICO. | \$161m convertible preference shares |
| UBA | IFC | \$59m convertible loan |

* - Afrinvest is acting as advisers to Standard Bank on the Merger and Tender Offer and as advisers to Actis on its investment in Diamond Bank.



The Offer

| | |
|--|--|
| Issuer: | First Bank of Nigeria |
| Current market price: | N40.40 |
| Market capitalisation: | N423 billion (\$3.3 billion) |
| Public offer: | 1,624,253,238 ordinary shares at N33 per share |
| Discount to market price: | 18% |
| Rights Issue: | 1,496,762,682 ordinary shares at N31 per share offered to existing shareholders at the rate of 1 new share for every 7 previously held |
| Discount to market price: | 23% |
| Total shares on offer: | 3,121,015,920 ordinary shares (23% of total issued shares after the offer) |
| Total offer size: | N100 billion (\$779.4bn) |
| Market capitalisation: post-offer at market price: | N549.37bn (\$4.28bn) |
| Preferential allotment: | A maximum of 649.7m shares valued at N21.4 bn (\$167m) shall be preferentially allotted to institutional and individual investors. |

Use of offer proceeds:

| Purpose | N' million | % of Total Proceeds |
|-----------------------------------|----------------|---------------------|
| Branch Expansion | 21,930 | 22 |
| Branch Modernisation | 12,225 | 12 |
| Business Development | 10,280 | 10 |
| Equity Investment in subsidiaries | 11,000 | 11 |
| Investment in new subsidiaries | 7,000 | 7 |
| Working Capital | 27,140 | 27 |
| IT Infrastructure | 6,425 | 6 |
| Total offer cost | 4,000 | 4 |
| Total | 100,000 | 100.0 |

Source: Offer prospectus



Company Overview

Background

Founded in 1894, First Bank of Nigeria (First Bank) is the oldest commercial bank in Nigeria, the second largest by deposits and third largest by assets. The bank was incorporated in 1969 as the Standard Bank of Nigeria Limited in line with the Companies Decree of 1968. In 1970, the Bank converted to a public company and was listed on the Nigerian Stock Exchange in 1971. The Bank changed its name in 1979 to First Bank of Nigeria Limited and subsequently became a public limited company in compliance with the Companies and Allied Matters Act of 1990.

First Bank's business is primarily commercial and corporate banking, including deposits, lending, corporate finance and foreign exchange operations. First Bank is a financial services supermarket with 7 domestic subsidiaries, a subsidiary bank in the UK, a representative office in South Africa, 1 associate and 4 affiliate companies offering diverse financial services. The bank has over 4 million retail and 41,000 corporate customers and operates from over 400 branches. In 2005, First Bank acquired its investment banking subsidiary, FBN Merchant Bankers Limited and a wholesale commercial bank, MBC International Bank Limited to strengthen its corporate and investment banking businesses.

The bank's shares are held by over 330,000 shareholders and are among the most actively traded on the Nigerian Stock Exchange with daily average turnover from January to April 3, 2007 at N363 million (\$2.8m). As at December 2006, only First Dependents Nigeria Limited, the Managers of the Staff Pension Fund, held up to 5% of the issued share capital of the bank while directors held 4.4%.

As a reflection of its leadership status in the banking industry, First Bank pioneered the lucrative Western Union Money Transfer service in Nigeria. This was structured to facilitate funds transfer between Nigerians within the country and in the diaspora. First Bank retained an exclusive partnership with Western Union for many years before a number of "new generation banks" later entered partnerships with Western Union.

First Bank's management, led by Jacobs Ajekigbe, is made up of a team of highly skilled and experienced professionals. The injection of senior banking executives from "new generation" banks into the bank over the last 5 years has contributed to the transformation of its corporate culture. Four new directors were appointed in the 2006 fiscal year to oversee risk management, corporate banking, commercial banking for medium sized institutions, and retail banking. The bank's executive directors and senior management now include former executives of Nigeria International Bank (Citigroup), KPMG Professional Services, United Bank for Africa and Zenith Bank.

In recognition of First Bank's solid performance over the years, Standard & Poor's (S&P) in 2007 assigned the bank an international short and long-term rating of "BB-", which is the same rating as the sovereign rating of Nigeria. Fitch rates the bank a notch lower at B+.

Board and Management Structure

First Bank maintains high corporate governance standards which are enforced by a 15-man Board of Directors. Board members include seasoned professionals with significant experience in various key sectors of the economy. The Board is made up of 8 non-executive Directors, including the Chairman, and 7 executive directors, including the Managing Director/ Chief Executive officer. The Board is ultimately responsible for determining the Bank's broad strategies as well as approving plans designed to achieve them. Non-executive board members head several committees created to oversee certain aspects of the bank's activities. These include a credit committee, which considers loan applications above certain limits that have been approved by the bank's executive committee. Similarly, there are other committees created to consider large capital projects, the



Company Overview

promotion of senior managers, internal audit, risk and compliance.

The execution of the broad strategies approved by the Board is managed by an executive committee made up of the bank's 7 executive directors. This committee is chaired by the Managing Director, who is ultimately responsible for the day-to-day running of the bank. The responsibilities of the six directors are classified into corporate banking, retail banking, banking operations and ICT, commercial banking, and risk management and control.

Restructuring

In response to changes in the business environment, First Bank has at various times embarked on a number of restructuring initiatives aimed at improving client relationship management, decentralising its operations into 29 business development offices (BDOs) and a domestic sales network built on 408 branches, of which over 320 are connected online real-time. As a result, First Bank's profile in the market place has improved greatly over the last few years as it sheds its former reputation of a conservative and bureaucratic institution and embraces a new dynamic culture. In 2001, First Bank began a process of re-branding itself to reflect an invigorated focus which eventually led to the introduction of a new corporate identity in 2004.

Another reflection of the new dynamic mindset of the bank is the initiative to raise \$175 million in March 2007 through a 10-year subordinated note, which is callable after 5 years. The Eurobond issue was the second by any Nigerian company and is expected to become a trend for Nigerian banks seeking dollar denominated capital from foreign investors.

Subsidiaries

FBN Bank UK is a full fledged bank in the UK, licensed by the Financial Services Authority.

FBN Capital Limited is the investment banking arm of the group, formed out of the merger between FBN Merchant Bank, the investment banking operations of MBC International Bank and the corporate finance arm of First Bank of Nigeria.

First Pension Custodian Nigeria Limited is licensed by the National Pensions Commission to carry out the business of pension custody.

First Registrars Nigeria Limited manages some of the largest shareholders' registers in the country.

First Trustees Nigeria Limited is a offers custodian services (excluding pension fund custody), property management and equity management services.

FBN Mortgages Limited is the bank's mortgage finance outfit.

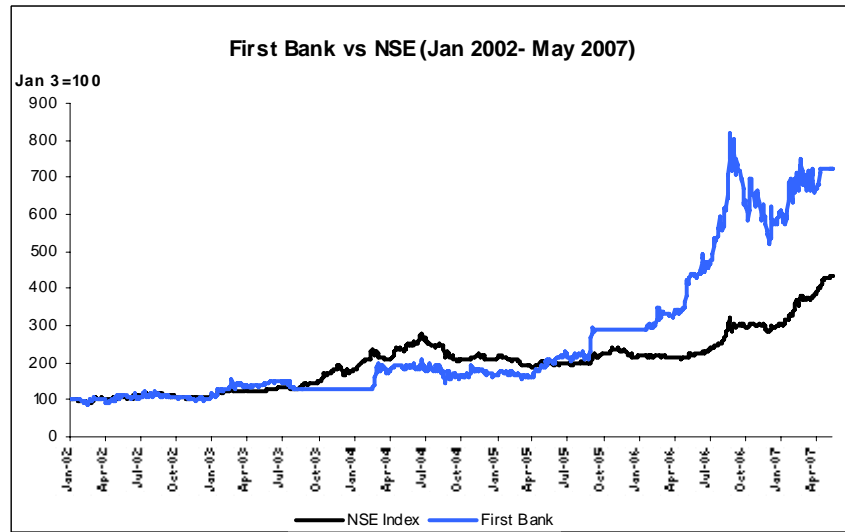
FBN Insurance Brokers Nigeria Limited transacts all classes of insurance brokerage business.

First Funds Limited is a private equity firm and manages First Bank's Small and Medium Enterprise Equity Investment Scheme (SMEEIS).

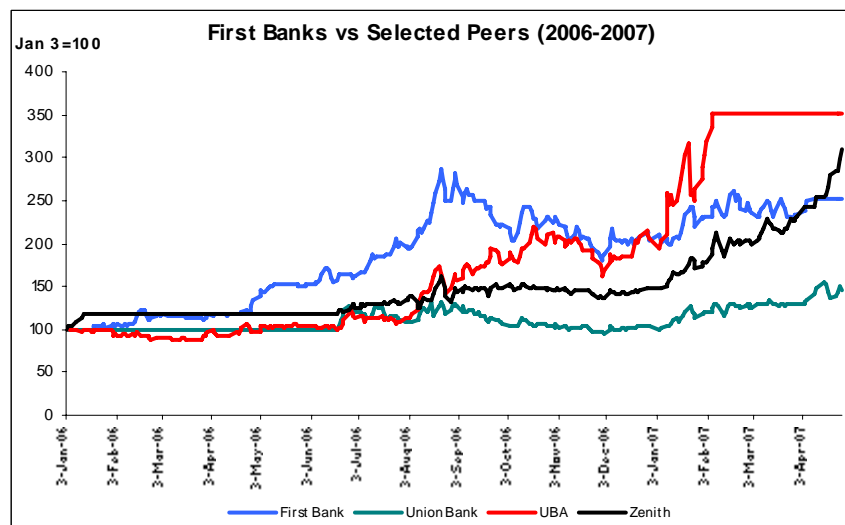
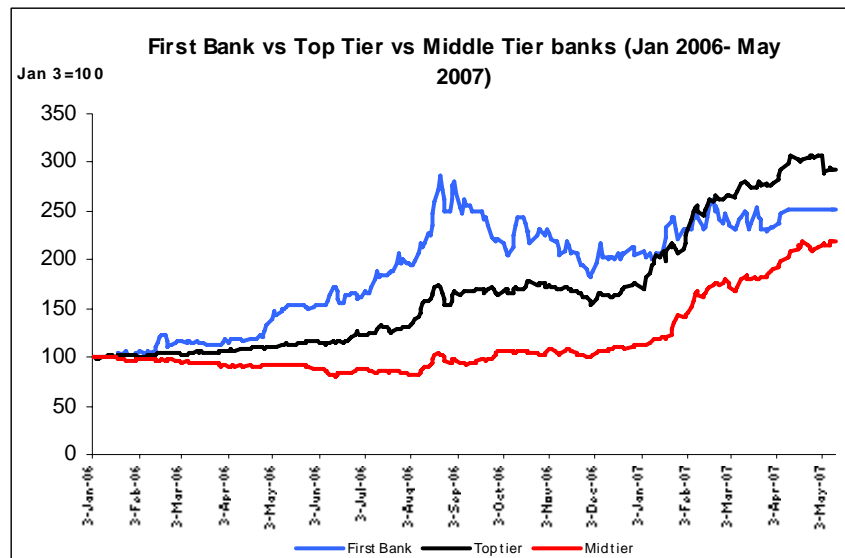


Share Price Performance

First Bank's shares have outperformed the NSE All-Share Index by 294% from 2002 to date.



From 2006 to date, First Bank shares have appreciated by 152%, compared to 119% for selected Middle Tier banks¹ and 189% for Top Tier² banks.



1 - Access Bank, Diamond Bank, FCMB and IBTC Chartered Bank
2- GT Bank, Intercont. Bank, Oceanic Bank, UBA, Union Bank, Zenith Bank



Five-year Financial Summary

| Year Ending March 31 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|--------------|--------------|--------------|--------------|--------------|
| BALANCE SHEET - ASSETS (N'bn) | | | | | |
| Cash, money market instruments and securities | 139.8 | 206.7 | 148.7 | 162.1 | 220.6 |
| Trading Securities | 2.1 | 2.1 | 11.2 | 11.3 | 49.1 |
| Gross Loans | 97.2 | 99.7 | 126.2 | 161.7 | 191.7 |
| Less: Loan loss reserves | 30.8 | 39.3 | 42.7 | 37.9 | 14.4 |
| Net loans | 66.4 | 60.4 | 83.5 | 123.7 | 177.3 |
| Equity interests/participations (non-financial co.) | 0.0 | 0.0 | 0.8 | 8.2 | 6.8 |
| Equity interests/participations (financial co.) | 0.55 | 0.90 | 5.5 | 2.1 | 5.0 |
| Intangibles | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Fixed assets | 8.2 | 9.1 | 10.1 | 12.7 | 14.2 |
| Other assets | 73.5 | 129.9 | 124.5 | 150.6 | 141.9 |
| Total assets | 290.6 | 409.1 | 384.2 | 470.8 | 614.8 |
| BALANCE SHEET - LIABILITIES (N'bn) | | | | | |
| Total deposits | 178.6 | 264.2 | 255.5 | 331.8 | 448.9 |
| Other borrowings | 0.0 | 0.0 | 0.0 | 0.4 | 0.3 |
| Other liabilities | 91.8 | 117.0 | 86.4 | 88.8 | 103.3 |
| Total liabilities | 270.4 | 381.2 | 341.9 | 421.0 | 552.5 |
| Share capital and surplus | 3.2 | 3.4 | 11.6 | 11.2 | 15.3 |
| Reserves | 14.2 | 16.4 | 23.8 | 30.8 | 34.9 |
| Retained profits | 1.9 | 7.1 | 6.2 | 6.7 | 12.1 |
| Total shareholders' funds | 19.3 | 27.0 | 41.6 | 48.7 | 62.3 |
| Minority interest - equity | 0.9 | 0.9 | 0.7 | 1.1 | 0.0 |
| Add: Common shareholders' equity | 20.2 | 27.9 | 42.3 | 49.8 | 62.3 |
| Total liabilities and equity | 290.6 | 409.1 | 384.2 | 470.8 | 614.8 |
| INCOME STATEMENT (N'bn) | | | | | |
| Interest income | 33.8 | 36.8 | 33.3 | 36.5 | 40.7 |
| Less: Interest expense | 4.7 | 6.6 | 6.6 | 8.6 | 10.0 |
| Net interest income | 29.1 | 30.2 | 26.7 | 27.9 | 30.7 |
| Fees and commissions | 9.6 | 9.6 | 12.9 | 12.9 | 18.8 |
| Trading gains | 1.0 | 1.3 | 1.0 | 1.4 | 1.2 |
| Other non-interest income | 1.9 | 2.9 | 4.1 | 6.5 | 6.7 |
| Add: Operating non-interest income | 12.5 | 13.8 | 18.0 | 20.8 | 26.7 |
| Gross operating revenues | 46.3 | 50.6 | 51.3 | 57.3 | 67.4 |
| Operating revenues (less interest expense) | 41.6 | 44.0 | 44.7 | 48.7 | 57.4 |
| Personnel expenses | 6.5 | 8.7 | 12.3 | 14.7 | 15.3 |
| Other general and administrative expense | 9.7 | 14.1 | 12.1 | 12.4 | 16.7 |
| Depreciation and amortisation | 2.4 | 2.4 | 2.5 | 2.4 | 3.2 |
| Less: Non-interest Expenses | 18.6 | 25.2 | 26.9 | 29.5 | 35.3 |
| Net operating income before loss provisions | 23.0 | 18.8 | 17.8 | 19.2 | 22.1 |
| Less: Credit loss provisions (net new) | 6.2 | 4.3 | 3.0 | 2.4 | 4.0 |
| Net operating income after loss provisions | 16.9 | 14.5 | 14.9 | 16.8 | 18.1 |
| Add: Non-recurring/special income | 0.0 | 0.0 | 0.0 | 0.0 | 3.7 |
| Add: Non-recurring/special expense | 10.7 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pretax profit | 6.2 | 14.5 | 14.9 | 16.8 | 21.8 |
| Less Tax expense | 1.4 | 3.4 | 3.4 | 3.6 | 4.5 |
| Net income before minority interest | 4.8 | 11.1 | 11.5 | 13.2 | 17.4 |
| Less: Minority interest in consolidated subsidiaries | -0.2 | -0.1 | 0.1 | -0.2 | 0.0 |
| Net income | 4.6 | 11.0 | 11.6 | 13.1 | 17.4 |

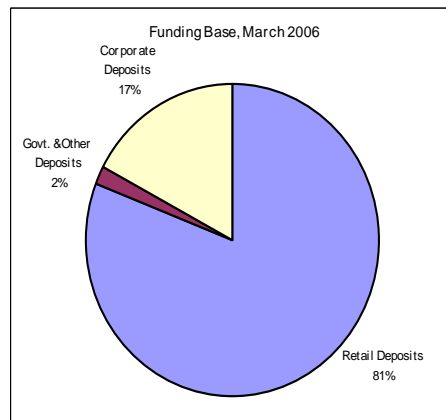
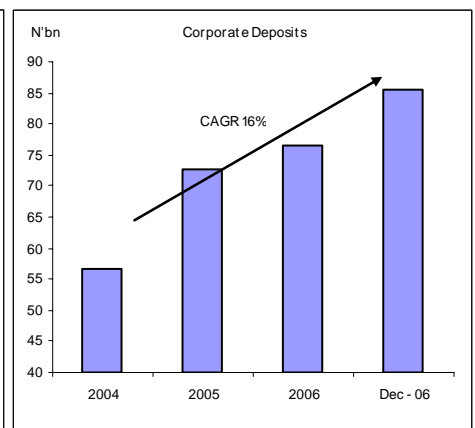
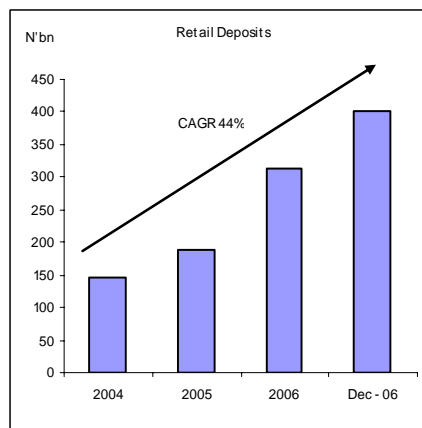
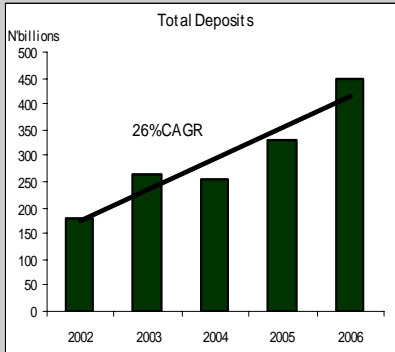
Five-year Financial Summary

| Year Ending March 31 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|-------|-------|-------|-------|-------|
| ASSET QUALITY (N'bn) | | | | | |
| Non-performing assets | 33.2 | 40.8 | 46.4 | 39.6 | 17.3 |
| Non-performing assets (% change) | N.A | 22.7 | 13.8 | -14.7 | -56.2 |
| AVERAGE BALANCE SHEET (N'bn) | | | | | |
| Average customer loans | N.A | 63.4 | 72.0 | 103.6 | 150.5 |
| Average assets | N.A | 349.8 | 396.7 | 427.5 | 542.8 |
| Average total deposits | N.A | 221.4 | 259.9 | 293.6 | 390.4 |
| Average common shareholders' equity | N.A | 24.0 | 35.1 | 46.1 | 56.0 |
| OTHER DATA | | | | | |
| No. of employees (end March) | 7,795 | 6,729 | 7,188 | 6,988 | 7,132 |
| Number of branches | 333 | 347 | 362 | 370 | 394 |
| Off balance sheet credit equivalents (N'bn) | 80.3 | 55.8 | 57.6 | 83.4 | 116.0 |
| RATIO ANALYSIS - ANNUAL GROWTH (%) | | | | | |
| Customer loans (gross) | N.A | 2.6 | 26.6 | 28.1 | 18.5 |
| Loss reserves | N.A | 27.5 | 8.7 | -11.1 | -62.1 |
| Total assets | N.A | 40.8 | -6.1 | 22.5 | 30.6 |
| Total deposits | N.A | 48.0 | -3.3 | 29.9 | 35.3 |
| Common shareholders' equity | N.A | 38.0 | 51.8 | 17.7 | 25.1 |
| Operating revenues | N.A | 5.7 | 1.7 | 8.8 | 17.9 |
| Non-interest expense | N.A | 35.6 | 6.9 | 9.4 | 19.8 |
| Net operating income before provisions | N.A | -18.4 | -5.3 | 8.0 | 14.9 |
| Loan loss provisions | N.A | 27.5 | 8.7 | -11.1 | -62.1 |
| Net operating income after provisions | N.A | -14.1 | 2.5 | 13.2 | 7.9 |
| Pre-tax profit | N.A | 134.7 | 2.5 | 13.2 | 29.9 |
| Net income | N.A | 139.8 | 5.6 | 12.3 | 33.2 |
| RATIO ANALYSIS - Revenue (%) | | | | | |
| Net interest income/revenues | 69.9 | 68.6 | 59.7 | 57.3 | 53.5 |
| Net interest income/interest income | 86.2 | 82.1 | 80.3 | 76.5 | 75.4 |
| Fee Income/revenues | 23.1 | 21.9 | 28.8 | 26.5 | 32.7 |
| Non-interest income/revenues | 7.0 | 9.5 | 11.5 | 16.2 | 13.8 |
| Personnel expenses/revenues | 15.7 | 19.8 | 27.6 | 30.1 | 26.7 |
| Non-interest expenses/revenues | 44.7 | 57.3 | 60.2 | 60.5 | 61.5 |
| Net operating income before provisions/revenues | 55.3 | 42.7 | 39.8 | 39.5 | 38.5 |
| Net operating income after provisions/revenues | 40.5 | 32.9 | 33.2 | 34.5 | 31.6 |
| New loan loss provisions/revenue | 14.8 | 9.8 | 6.6 | 5.0 | 6.9 |
| Pretax profit/revenues | 14.8 | 32.9 | 33.2 | 34.5 | 38.0 |
| Net income/gross operating revenues | 9.9 | 21.7 | 22.6 | 22.8 | 25.8 |
| Tax/pretax profit | 22.6 | 23.5 | 22.7 | 21.3 | 20.4 |
| RATIO ANALYSIS - Interest margin and other returns (%) | | | | | |
| Net interest income on loans/av. total loans | N.A | 30.7 | 23.7 | 19.4 | 17.4 |
| Net income/employee (N'm) | N.A | 1.5 | 1.7 | 1.8 | 2.5 |
| Personnel expense/av. employee (N'm) | N.A | 1.2 | 1.8 | 2.1 | 2.2 |
| Personnel expense/av. branches (N'm) | N.A | 25.6 | 34.8 | 40.1 | 40.2 |
| Net income/av. common shareholders' equity (ROE) | N.A | 45.8 | 33.1 | 28.3 | 31.0 |
| RATIO ANALYSIS - Liquidity and asset quality | | | | | |
| Net customer loans/customer deposits | 37.2 | 22.9 | 32.7 | 37.3 | 39.5 |
| Customer loans (net)/total assets | 22.8 | 14.8 | 21.7 | 26.3 | 28.8 |
| Loan loss reserves/customer loans (gross) | 31.7 | 39.4 | 33.8 | 23.5 | 7.5 |
| Non-performing loans/gross loans | 34.2 | 40.9 | 36.7 | 24.5 | 9.0 |
| Loan loss reserves/Non performing assets | 92.7 | 96.4 | 92.1 | 95.9 | 82.8 |

Operating Performance Highlights

Growth in deposits boosted by robust retail banking operations

First Bank's deposit base has grown steadily from N178.6bn in 2002 to N448.9bn in 2006 a compound annual growth rate (CAGR) of 26%. The trend has improved in recent years: deposits grew by 35.3% in year ended March 2006 and an additional 23% in the 9 months up to December 2006, reflecting the impact of branch expansion and a more aggressive marketing approach. Growth in retail deposits have been particularly impressive; from N147bn in March 2004 to N401 billion in December 2006 (44% CAGR). This steady increase in deposits indicates public confidence in the bank's long history and healthy balance sheet. First Bank is regarded as one of the safest banks in Nigeria and therefore appeals to a wide section of institutional, retail and public sector customers. In order to support the trend of growth in retail deposits, First Bank plans to grow its branch network from 408 in March 2007 to over 500 by March 2008.



Stable growth in risk assets despite bottlenecks in credit management systems

First Bank's loan portfolio has grown from N97.2bn in 2002 to N191.7bn in 2006 (19% CAGR). The moderate growth in risk assets has been stunted by arduous approval procedures. However, the bank has gradually reviewed its operational model to reduce bottlenecks in loan approvals.

On the back of a reviewed credit and risk management policy, First Bank plans to increase its loan turnover by localizing the approval process in individual branches. In 2005, the bank launched the "U-First" suite of credit based products for the consumer market. The increased focus on the consumer market has begun to yield impressive results; retail loans (approximately 27% of total loans as at December 2006), grew by 250% in the financial year ending March 2006. As part of the bank's plan to aggressively grow its consumer banking business, it is



Operating Performance Highlights (continued)

currently deploying Finone, a credit risk management software which provides an electronic and more efficient credit management infrastructure.

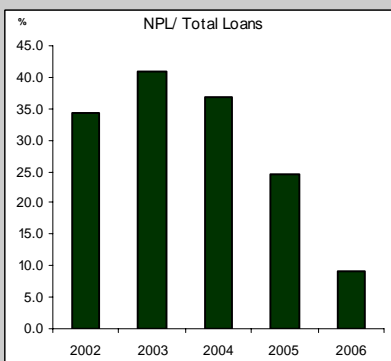
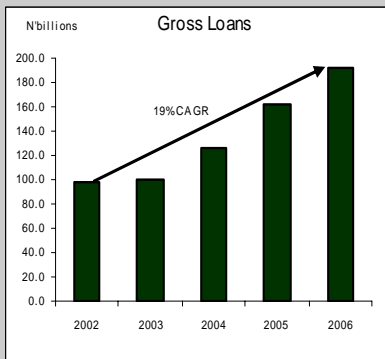
First Bank also intends to grow its corporate loans portfolio on the back of continued economic reforms. To this end, the bank has assembled a dedicated team of professionals, including relatively new hires from "new generation" banks. In 2006, First Bank was the lead arranger of several large ticket transactions including a \$1.3 billion loan to Celtel Nigeria, a deal that represented the largest dollar denominated facility in the Nigerian capital market. Looking ahead, in addition to infrastructure finance, First Bank is expected to continue to play a leading role in exploiting opportunities presented by deregulation in the telecommunications, oil and gas, mining, minerals and power supply sectors. The prospects of a business combination with other local/international banks will enhance First Bank's ability to remain a leading player in the corporate banking sector. First Bank recently explored a merger with the Ecobank Group, a West African bank with operations in 18 countries.

Improving asset quality

Selective debt write-offs, a new credit risk management team and new credit risk management systems put in place in 2006 have resulted in a sharp improvement in the quality of the bank's loan portfolio. Consequently, First Bank's non-performing loan (NPL) to total loan ratio dropped from 34.2% in 2002 to 9% in 2006. As at December 2006, the ratio had dropped further to 3.5%, compared to 12% for UBA, 2% for Guaranty Trust Bank, and an average of 7.6% for the top seven banks.

Steady rise in profits supported by low cost of funds

First Bank's consistent growth in profits has been underpinned by the bank's access to low cost funds. With savings deposits accounting for 40% of total deposits, the bank's cost of funds is one of the lowest in the industry. Profit before tax grew from N6.2bn in 2002 to N21.8bn in 2006 (37% CAGR), albeit boosted by N3.7bn non-recurring income from the partial sale of the bank's investment in Celtel, Nigeria's third largest telecoms firm, in 2006. Similarly, after tax profits grew from N4.6bn in 2002 to N17.4bn in 2006 (40% CAGR). Interim results for the 9 months up to December 2006 showed a 27% rise in profit before tax to N14.4bn.



Forecasts and Valuation

Given the performance of the bank for the 9 months up to December 2006, we expect First Bank to achieve its 2007 year end forecast PAT and EPS of N18.4bn and N1.75 respectively. First Bank's 2008 forecast net profit margin of 23% is slightly higher than the 2007 forecast of 22% and 20% median for the top 7 banks. This is also achievable but success would be tied to the effective management of the bank's cost base, which is bound to grow as it expands its branch network. In addition, First Bank is expected to bear the higher employment costs of continuing its drive to recruit better trained talent from "new generation" banks.

On the revenue side, given the operating model created for the bank's rapidly growing retail operations, we are cautiously optimistic about the successful execution of its long term retail strategy. However, we believe that the bank's corporate banking business should maintain its growth momentum on the strength of the bank's huge balance sheet. First Bank projects 2007 and 2008 EPS of N1.75 and N1.98 respectively. We note that 2008 forecast EPS is based on all shares issued by the bank, including the additional 3.12 billion shares to be issued as a result of the current public offering and rights issue.

The public offering and rights issue are offered at an 18% and 23% discount respectively to the current market price of N40.40. At the current market price, First Bank is valued at a 2008 forward P/E of 20.4. However, at the public offer price of N33.00, this falls to 16.6x.

The First Bank share offering is offered at a valuation metrics of 17x forward P/E and 3.7% dividend yield. Furthermore, at the offer price of N33, First Bank is valued at 5.6x book value but only 2.7x its post offer book value. In our view, this share offering is an opportunity to buy a significant block of shares in a large bank with a compelling growth story at an attractive 18% discount to the current market price. While the bank's recent performance is impressive, we expect the dynamism of the current workforce to better optimise the bank's potential in the years ahead. We therefore consider First Bank a strong buy for medium and long term oriented accounts with a strong upside potential tied to the successful execution of the bank's growth strategy for its corporate and consumer banking businesses as well as effective cost management and efficient growth via mergers or/and acquisitions.

First Bank Forecast Income Statement

| Year ended March 31 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|--------------|---------------|---------------|---------------|
| | N'billion | N'billion | N'billion | N'billion |
| Gross Revenues | 83.76 | 117.17 | 152.75 | 193.08 |
| Interest income | 60.00 | 91.50 | 123.91 | 160.37 |
| Interest expense | (17.00) | (29.21) | (40.11) | (53.03) |
| Net interest income | 43.01 | 62.30 | 83.79 | 107.34 |
| Loan loss expense | (1.65) | (2.14) | (2.66) | (3.36) |
| Commissions and other income | 23.76 | 25.66 | 28.66 | 32.71 |
| | 65.11 | 85.82 | 110.01 | 136.69 |
| Operating expenses | (41.85) | (51.66) | (65.57) | (76.71) |
| Profit before tax | 23.26 | 34.16 | 44.44 | 59.98 |
| Tax | (4.88) | (7.17) | (9.33) | (12.60) |
| Profit after tax | 18.37 | 26.99 | 35.11 | 47.39 |
| Dividend | (7.86) | (16.58) | (18.65) | (27.63) |
| transfer to reserves | 10.51 | 10.41 | 16.46 | 19.76 |
| Shareholders' funds | 72.81 | 179.21 | 195.67 | 215.43 |
| EPS (kobo) | 175 | 198 | 258 | 348 |
| DPS (kobo) | 75 | 122 | 137 | 203 |
| Dividend yield | 2% | 4% | 4% | 6% |
| Ratios | | | | |
| Gross revenues growth | 18% | 40% | 30% | 26% |
| PAT/ gross earnings | 21.9% | 23.0% | 23.0% | 24.5% |
| Effective tax rate | 21.0% | 21.0% | 21.0% | 21.0% |
| ROAE | 27.2% | 21.4% | 18.7% | 23.1% |
| PE at offer price | 18 | 16 | 13 | |

Source: Offer prospectus

Comparable Operating Statistics of Selected Banks

| Company | Latest Audited Annual Accounts | Share Price (=N=) | Average SHF (=N= Bn) | Total Assets (=N= Bn) | Average Total Assets (=N= Bn) | Gross Revenue (=N= Bn) | Interest Expense (=N= Bn) | Income ² (=N= Bn) | Cost/Income | PAT (=N= Bn) | 2008 Forecast PAT (=N= Bn) | ROE | ROA | PAT/Revenue |
|-------------------------------------|--------------------------------|-------------------|----------------------|-----------------------|-------------------------------|------------------------|---------------------------|------------------------------|--------------|--------------|----------------------------|--------------|-------------|--------------|
| Top tier | | | | | | | | | | | | | | |
| First Bank of Nigeria* | 31-Mar-06 | 40.40 | 55.5 | 614.8 | 542.8 | 67.4 | 10.0 | 53.4 | 66.1% | 17.38 | 26.98 | 31.3% | 3.2% | 25.8% |
| Union Bank of Nigeria | 31-Mar-06 | 32.00 | 71.9 | 667.8 | 609.4 | 66.6 | 16.3 | 45.5 | 70.3% | 10.80 | 19.44 | 15.0% | 1.8% | 16.2% |
| United Bank for Africa ¹ | 30-Sep-06 | 37.99 | 34.0 | 884.1 | 567.5 | 90.4 | 27.0 | 57.9 | 77.9% | 11.55 | 20.20 | 34.0% | 2.0% | 12.8% |
| Zenith Bank | 30-Jun-06 | 48.66 | 65.8 | 608.5 | 469.1 | 58.2 | 10.5 | 46.5 | 67.4% | 11.49 | 24.12 | 17.5% | 2.4% | 19.7% |
| Intercontinental Bank | 28-Feb-06 | 25.50 | 44.6 | 369.2 | 286.4 | 41.0 | 8.3 | 31.9 | 69.3% | 7.70 | 17.25 | 17.3% | 2.7% | 18.8% |
| GTBank | 28-Feb-07 | 27.20 | 45.4 | 486.5 | 397.5 | 49.1 | 13.3 | 32.6 | 59.2% | 13.19 | 18.47 | 29.1% | 3.3% | 26.9% |
| Oceanic Bank* | 30-Sep-06 | 19.53 | 34.4 | 371.6 | 294.7 | 44.7 | 12.5 | 29.1 | 64.7% | 9.55 | 14.33 | 27.8% | 3.2% | 21.4% |
| Mean | | | | | | | | | 67.8% | | | 24.6% | 2.7% | 20.2% |
| Median | | | | | | | | | 67.4% | | | 24.6% | 2.5% | 19.7% |
| Middle Tier | | | | | | | | | | | | | | |
| Diamond Bank* | 30-Apr-06 | 10.70 | 27.9 | 227.8 | 179.2 | 22.7 | 4.6 | 17.9 | 69.5% | 4.00 | 7.84 | 14.4% | 2.2% | 17.6% |
| Access Bank | 31-Mar-06 | 16.91 | 21.5 | 174.6 | 120.7 | 13.4 | 2.5 | 9.5 | 88.2% | 4.30 | 7.92 | 20.0% | 3.6% | 32.2% |
| Ecobank | 31-Dec-05 | 7.06 | 15.1 | 67.7 | 52.6 | 9.3 | 2.0 | 6.7 | 66.3% | 3.56 | 5.34 | 23.6% | 6.8% | 38.2% |
| IBTC | 31-Mar-06 | 11.00 | 24.2 | 113.2 | 76.2 | 11.3 | 2.4 | 8.7 | 34.6% | 3.99 | 7.26 | 16.5% | 5.2% | 35.3% |
| Fidelity Bank | 30-Jun-06 | 8.00 | 30.6 | 121.1 | 78.3 | 11.9 | 3.2 | 8.4 | 56.4% | 3.22 | 5.48 | 10.5% | 4.1% | 27.0% |
| Platinum Habib | 30-Jun-06 | 23.00 | 20.5 | 158.9 | 105.3 | 13.3 | 4.3 | 8.2 | 57.1% | 2.45 | 4.58 | 11.9% | 2.3% | 18.4% |
| Mean | | | | | | | | | 62.0% | | | 16.1% | 4.0% | 28.1% |
| Median | | | | | | | | | 61.7% | | | 15.4% | 3.8% | 29.6% |

*Due to recent/ongoing recapitalisation exercises, the Nigerian Stock Exchange has placed a technical suspension on the movement of the share prices of the First Bank, United Bank for Africa, Oceanic Bank and Diamond Bank.

¹ -United Bank for Africa presented 18 months figures 31 March 2005 to 30 September 2006. Other banks presented 12 months figures

² - Gross revenue less interest expenses, operating expenses and loan loss provisions

Closing Prices as at 14-May-2007

Comparable Operating Statistics of Selected Banks

| Company | Total Loans (=N= Bn) | Total Deposits (=N= Bn) | Average Loans | Non-Perf. Loans (NPL) (=N= Bn) | Interest Income (=N= Bn) | Interest Expense (=N= Bn) | Net Int. Income (=N= Bn) | Net Int. Margin (%) | Loans / Deposits | NPL/Total Loans |
|----------------------------|-------------------------|----------------------------|---------------|-----------------------------------|-----------------------------|------------------------------|-----------------------------|---------------------|------------------|-----------------|
| Top Tier | | | | | | | | | | |
| First Bank of Nigeria | 191.7 | 449.2 | 176.7 | 17.3 | 40.7 | 10.0 | 30.7 | 17.4% | 42.7% | 9.0% |
| Union Bank of Nigeria | 149.4 | 411.5 | 130.8 | 28.3 | 47.2 | 16.3 | 30.8 | 23.6% | 36.3% | 19.0% |
| United Bank for Africa Plc | 119.7 | 776.1 | 94.9 | 15.1 | 57.7 | 27.0 | 30.7 | 32.4% | 15.4% | 12.6% |
| Zenith Bank | 204.1 | 392.9 | 164.8 | 2.3 | 37.3 | 10.5 | 26.8 | 16.3% | 51.9% | 1.1% |
| Intercontinental | 172.7 | 252.3 | 123.2 | 9.7 | 25.8 | 8.3 | 17.4 | 14.1% | 68.4% | 5.6% |
| GTBank | 118.8 | 294.5 | 103.3 | 2.4 | 32.0 | 13.3 | 18.7 | 18.1% | 40.3% | 2.0% |
| Oceanic Bank | 105.8 | 310.3 | 92.8 | 4.3 | 28.9 | 12.5 | 16.4 | 17.7% | 34.1% | 4.1% |
| Mean | | | | | | | | 19.9% | 41.3% | 7.6% |
| Median | | | | | | | | 17.7% | 40.3% | 5.6% |
| Middle Tier | | | | | | | | | | |
| Diamond Bank | 84.0 | 151.3 | 64.1 | 4.4 | 14.9 | 4.6 | 10.2 | 16.0% | 55.5% | 5.3% |
| Access Bank | 60.9 | 118.1 | 39.4 | 8.1 | 8.7 | 2.5 | 6.3 | 15.9% | 51.6% | 13.3% |
| Ecobank | 22.4 | 32.5 | 17.7 | 3.1 | 5.2 | 2.0 | 3.2 | 18.0% | 68.9% | 13.9% |
| IBTC | 56.2 | 55.5 | 34.4 | 12.1 | 7.1 | 2.4 | 4.7 | 13.6% | 101.3% | 21.6% |
| Fidelity | 46.7 | 81.9 | 31.3 | 8.0 | 7.7 | 3.2 | 4.5 | 14.5% | 57.0% | 17.1% |
| Platinum Habib Bank | 41.8 | 109.3 | 30.8 | 6.0 | 8.3 | 4.3 | 4.0 | 13.0% | 38.3% | 14.3% |
| Mean | | | | | | | | 15.6% | 66.9% | 14.2% |
| Median | | | | | | | | 15.9% | 57.0% | 13.9% |

Comparable Valuation Statistics of Selected Banks

| Company | Share Price (=N=) | Shares Outstanding (Bn) | SHF (=N= Bn) | Current Market Cap. (=N= Bn) | PAT (=N= Bn) | BV/Share (=N=) | LTM ² EPS (=N=) | LTM P/E ¹ | 2008 Forward EPS1 | 2008 Forward P/E | P/BV |
|------------------------|-------------------|-------------------------|--------------|------------------------------|--------------|----------------|----------------------------|----------------------|-------------------|------------------|-------------|
| Top Tier | | | | | | | | | | | |
| First Bank* | 33.00 | 10.5 | 62.3 | 345.8 | 13.7 | 5.95 | 1.31 | 25.27x | 1.98 | 16.63x | 5.6x |
| Union Bank of Nigeria | 32.00 | 9.6 | 100.5 | 308.8 | 10.8 | 10.4 | 1.12 | 28.6x | 2.01 | 15.9x | 3.1x |
| United Bank for Africa | 37.99 | 8.5 | 48.5 | 321.9 | 11.6 | 5.7 | 1.36 | 27.9x | 2.02 | 18.8x | 6.6x |
| Zenith Bank | 48.66 | 9.3 | 93.8 | 450.9 | 11.5 | 10.1 | 1.24 | 39.25x | 2.60 | 18.7x | 4.8x |
| Intercontinental Bank | 25.50 | 10.7 | 54.5 | 273.5 | 7.7 | 5.1 | 0.72 | 35.5x | 1.61 | 15.9x | 5.0x |
| GTBank | 27.20 | 10.0 | 50.0 | 272.0 | 13.2 | 5.0 | 1.32 | 20.6x | 1.85 | 14.7x | 5.4x |
| Oceanic Bank | 19.53 | 11.6 | 37.7 | 227.4 | 9.6 | 3.2 | 0.82 | 23.8x | 1.23 | 15.9x | 6.0x |
| Mean | | | | | | | | 29.27x | | 16.6x | 5.2x |
| Median | | | | | | | | 28.2x | | 15.9x | 5.2x |
| Middle Tier | | | | | | | | | | | |
| Diamond Bank | 10.70 | 7.6 | 35.0 | 81.4 | 4.0 | 4.6 | 0.53 | 20.3x | 1.03 | 10.4x | 2.3x |
| Access Bank | 16.91 | 7.0 | 28.9 | 118.0 | 4.3 | 4.1 | 0.62 | 27.4x | 1.14 | 14.9x | 4.1x |
| Ecobank | 7.06 | 21.7 | 25.8 | 152.9 | 3.6 | 1.2 | 0.16 | 43.0x | 0.25 | 28.6x | 5.9x |
| IBTC | 11.00 | 12.5 | 32.7 | 137.5 | 4.0 | 2.6 | 0.32 | 34.5x | 0.58 | 18.9x | 4.2x |
| Fidelity Bank | 8.00 | 16.5 | 25.7 | 131.7 | 3.2 | 1.6 | 0.20 | 40.9x | 0.33 | 24.0x | 5.1x |
| Platinum Habib Bank | 23.00 | 6.4 | 28.4 | 147.9 | 2.4 | 4.4 | 0.38 | 60.5x | 0.71 | 32.3x | 5.2x |
| Mean | | | | | | | | 37.8x | | 21.5x | 4.5x |
| Median | | | | | | | | 37.7x | | 21.5x | 4.7x |

* - First Bank comparables based on public offer price of N33 per share and not the market price of N40.40.

1 - P/E based on shares expected to be in issue after the public offering and rights issue.

2 - Latest 12 month period

Closing Prices as at 14-May-07

This report has been issued and approved by Afrinvest West Africa Limited ("Afrinvest"). This report is based on information from various sources that we believe are reliable; however, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Any investment discussed may not be suitable for all investors. This report is provided solely for the information of clients of Afrinvest who are expected to make their own investment decisions. Afrinvest conducts designated investment business with market counter parties and intermediate customers and this document is directed only at such persons. Other persons should not rely on this document. Afrinvest accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only. This report may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Afrinvest. Investments can fluctuate in price and value and the investor might get back less than was originally invested. Past performance is not necessarily a guide to future performance. It may be difficult for the investor to realise an investment. Afrinvest and/or a connected company may have a position in any of the instruments mentioned in this document. Afrinvest and/or a connected company may or may not have in the future a relationship with any of the entities mentioned in this document for which it has received or may receive in the future fees or other compensation. Afrinvest is a member of The Nigerian Stock Exchange and is regulated by the Securities and Exchange Commission to conduct investment business in Nigeria. AFRINVEST WEST AFRICA LIMITED, 11TH -12TH FLOORS, FORESHORE TOWERS, 2A OSBORNE ROAD, IKOYI, LAGOS, NIGERIA. PHONE NO: 2701680 88, 269 5479-81, 269 4005, 269 0861, 2962948 2670272 3, 2692810. Fax: 2694392, 2701689.

