

FBN Holdings Plc

Full Rating Report

Ratings

FBN Holdings Plc	
Long-Term IDR	B
Short-Term IDR	B
Viability Rating	b
Support Rating	5
Support Rating Floor	NF
National Long-Term Rating	A(nga)
National Short-Term Rating	F1(nga)
First Bank of Nigeria Ltd	
Long-Term IDR	B+
Short-Term IDR	B
Viability Rating	b
Support Rating	4
Support Rating Floor	B+
National Long-Term Rating	A+(nga)
National Short-Term Rating	F1(nga)
Sovereign Risk	
Long-Term Foreign-Currency IDR	BB-
Long-Term Local-Currency IDR	BB
Country Ceiling	BB-

Outlooks

Long-Term Foreign-Currency IDRs	Stable
Sovereign Long-Term	Stable
Foreign-Currency IDR	
Sovereign Long-Term	Stable
Local-Currency IDR	

Financial Data

FBN Holdings Plc			
	31 Mar	31 Dec	
	14	13	
Total assets (USDm)	24.1	24.9	
Total assets (NGNbn)	3,861.7	3,871.0	
Total equity (NGNbn)	491.3	471.8	
Operating profit (NGNbn)	24.6	90.3	
Net income (NGNbn)	21.6	70.6	
Comprehensive income (NGNbn)	19.5	61.5	
Operating ROAA (%)	2.6	2.6	
Operating ROAE (%)	20.7	20.1	
Internal capital generation (%)	17.8	15.0	
Fitch core capital/weighted risks (%) ^a	n.a.	15.9	
Tier 1 ratio (%)	14.4	15.0	

^a Calculated using First Bank of Nigeria Ltd data

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Key Rating Drivers

IDR Driven by Operating Company: FBN Holdings Plc's (FBNH) 'B' IDR is driven by its 'b' Viability Rating (VR). The latter is aligned with the VR of its main operating company, First Bank of Nigeria Ltd (FBN). This is driven by consolidated prudential supervision as well as common branding and management. FBNH's Support Rating (SR) of '5' and Support Rating Floor (SRF) of 'NF' reflect Fitch Ratings' view that state support extended to banks would not apply to holding companies.

FBN's IDR, National Ratings, SR and SRF reflect the limited probability of support that Fitch believes would come from the Nigerian authorities given its perceived systemic importance (it is the largest bank by assets and has the largest retail deposit base in the country) but also Nigeria's constrained ability to provide support ('BB-' IDR).

Challenging Environment, Strong Franchise: FBN's VR reflects the risks of operating in a challenging home market environment. It also considers the bank's very strong franchise and its sound financial profile. FBN represents around 97% of group assets.

Weakened Capitalisation: The group's risk weighted capital ratios weakened materially in 2013 against Fitch's expectation. The Fitch core capital (FCC) ratio fell to 15.9% at end-2013 (end-2012: 19.3%). An FCC ratio at or above 20% is considered appropriate in Nigeria.

Acceptable Asset Quality: FBNH has acceptable asset quality and low loan concentration compared to its peer group. The ratio of impaired loans to gross loans stood at 3.0% at end-2013. Fitch expects the level of impaired loans to remain manageable although the group's ambition to target mid-corporates could lead to marginal asset quality deterioration.

Continued Pressure on Earnings: Earnings were stable in 2013 and Q114 but Fitch expects continued pressure on margins from tighter regulatory policies and increased competition. With a strong retail focus, the group is adversely affected by recent initiatives taken by the regulator to protect retail consumers. FBNH also funds a material share of its operations through public sector deposits and has suffered from recent increases in the public deposit cash reserve ratio.

Deposit Funded, Acceptable Liquidity: FBNH is largely deposit funded, with about half of deposits sourced from the retail market. Liquidity is acceptable, although the regulatory liquidity ratio weakened to a relatively low 38.0% at end-March 2014 (end-2013: 44.2%).

Modest Loan Growth Expected: The group targets a moderate 10% loan growth in 2014, with a strategic intent to strengthen its market share among mid-sized corporates. The loan book grew by 15% in 2013. New lending was targeted towards the oil and gas (with a focus on upstream and services companies), manufacturing and real estate sectors.

Rating Sensitivities

Limited Short-Term VR Upside: A VR upgrade is unlikely in the short term. In the longer run it could follow from successful execution of the group's new strategic initiatives, which include broadening its franchise and strengthening its revenue generation. This would have to be accompanied by stronger capital ratios, responsible loan growth and sound financials.

Change in Support: A downgrade of FBN's IDRs would most likely follow a reduction in Fitch's view of the authorities' ability or propensity to support the bank. An upgrade of FBN's IDR is unlikely given the Stable Outlook on Nigeria's 'BB-' sovereign rating.

Operating Environment

Rating Level Constrained by the Operating Environment

FBN and FBNH's VRs are constrained to the B range category as a result of Nigeria's very challenging operating environment. While Nigeria benefits from substantial natural resources, strong economic growth and sound public finances, its governance and human development indicators are very weak. The economy is highly sensitive to oil price vulnerability. Fitch affirmed Nigerian's sovereign rating at 'BB-' with a Stable Outlook on 11 April 2014.

Company Profile

Franchise: Leading Tier-One Bank; Strong Retail Footprint

FBN is Nigeria's oldest bank. At end-2013, it represented 16% of total system assets. It has a significant mass market retail franchise with close to 9 million active customer accounts. Its corporate franchise is less strong, although it is a primary dealer in the Nigerian bond market. It is one of the country's settlement banks, and is listed on the Nigerian Stock Exchange.

Business Model: Traditional Commercial Banking; Foreign Expansion

FBNH is mainly focused on traditional commercial banking services to individuals and businesses. It also provides investment banking and asset management, insurance and microfinance. The commercial banking group represented 94% and 96% of group revenues and assets at end-2013.

The group operates mainly in Nigeria, but also has a broad African footprint. It recently acquired the West African operations of International Commercial Bank Group in Ghana, Sierra Leone, Guinea, Gambia and Senegal. This followed the acquisition of Banque Internationale de Cr dit in the Democratic Republic of Congo (DRC) in 2011. FBN also has banking operations in the UK and France as well as representative offices in South Africa, China and the United Arab Emirates. International banking represented 7% of group revenue in 2013.

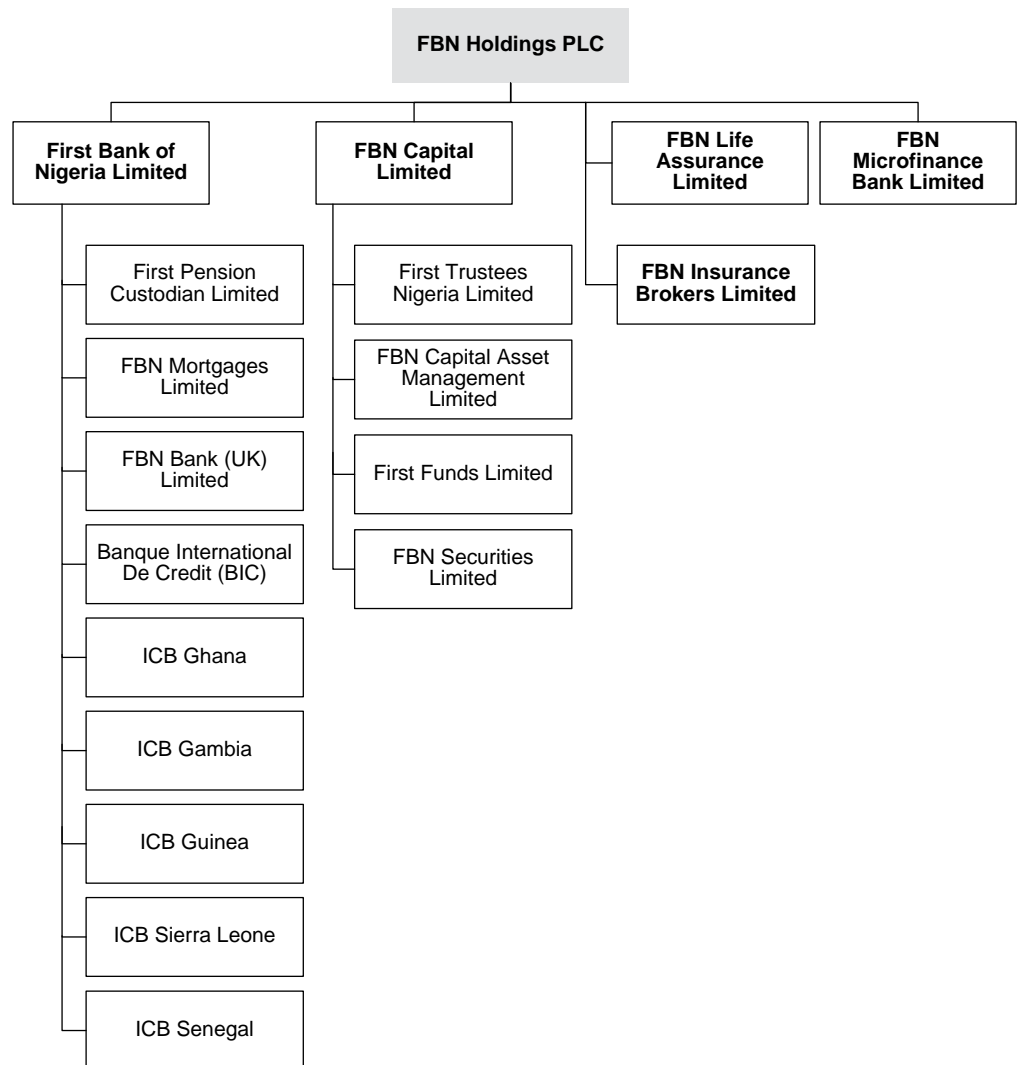
Organisational Structure: Holding Company Structure Adopted

In response to new banking regulation aimed at segregating banking and non-core banking activities, a holding company structure was adopted in 2012.

Related Criteria

[Global Financial Institutions Rating Criteria
\(January 2014\)](#)

Figure 1
Structure Diagram



Source: Transaction documents

Management

Management Quality

FBNH's management is experienced and competent with a good degree of depth. Fitch believes that FBNH is able to attract high calibre people thanks to its strong franchise.

Corporate Governance

Nigerian corporate governance standards are generally weak. FBNH complies with the Central Bank of Nigeria's (CBN) Code of Corporate Governance as well as the requirements of the Securities and Exchange Commission. At end-2013, the group board comprised six non-executive directors and one executive director (the group chief executive). One director was classified as independent. No shareholder owned more than 5% of the bank. The ownership was split as follows: 51% retail owners, 27% domestic institutions, 18 foreign institutions and 4% government-related entities.

Strategic Objectives – Clearly Defined

FBNH's objectives are clearly defined. It has developed a new three year strategic plan from 2013 which includes modernising the bank and continuing to streamline operations. The strategy will focus on improving profitability and penetrating segments where the bank is less strong. In corporate/institutional banking, the bank aims to capture market share in

transactional services and among small and medium sized businesses. In retail, it increasingly targets the young and affluent emerging middle class, which is more sophisticated and demanding than its traditional customer base.

Execution – Lags Other Tier 1 Banks

The group benefits from significant scale and a very strong domestic brand name. Nevertheless, Fitch believes it lags behind other tier one banks on operational efficiency, IT solutions and customer service, although it has made significant improvements in recent years, including a complete group reorganisation in 2010. Compared to stronger rated peers (on a VR basis), FBNH's performance was relatively volatile during the Nigerian banking crisis.

Risk Appetite

Adequate Controls and Underwriting Standards

FBNH's risk management framework appears adequate. Fitch believes that risk governance standards have strengthened since the Nigerian banking crisis. The duties of risk management and business units are segregated, and the group has an internal audit department. Obligor risk ratings are used to analyse counterparty credit risk. This is supported by a range of portfolio concentration limits as well as laddered approval levels.

Modest Loan Growth Expected

Fitch expects modest loan growth compared to the sector over time, reflecting its already dominant market position as well as its intention to strengthen its advisory business, with less focus on lending volumes.

Moderate Market Risk

Market risk arises primarily in the banking operations of FBN, and interest rate risk presents the most significant market risk to the group. The bank estimated that a 2 percentage point positive shift in the yield curve would have reduced net interest income (NII) by NGN4.87bn in 2013, or 6.3% of profit before tax. Value-at-risk (VAR) analysis is performed on FBN's trading book, using a 99% confidence level and a 10-day holding period. The maximum VAR in 2013 was NGN1.8bn, mostly from interest rate risk. The group is exposed to exchange rate sensitivity, primarily the US dollar. It estimated that a 5% weakening of the naira would have reduced net income by NGN7.5bn in 2013. A significant currency fluctuation could also lead to weaker asset quality as just under 40% of the loan book is denominated in foreign currencies (mostly US dollars).

Financial Profile

Asset Quality in Line with Peers

Figure 2

Asset Quality

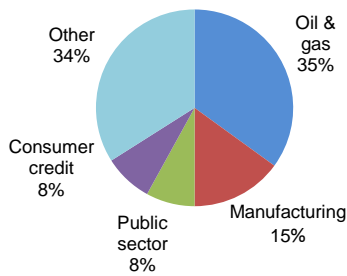
(%)	1Q14	2013	2012	2011
Growth of gross loans (annualised)	17.1	14.8	23.0	6.1
Impaired loans/gross loans	3.6	3.0	2.6	2.6
Reserves for impaired loans/impaired loans	84.2	83.0	94.9	97.9
Impaired loans less reserves for impaired loans/Fitch core capital	2.2	2.0	0.5	0.2
Loan impairment charges/average gross loans	0.4	1.2	0.9	2.8

Source: FBNH, Fitch

NPLs Growing; Expected to Remain Manageable

The group's ratio of impaired loans to gross loans increased somewhat in 2013 and Q114. This was in line with the sector and, Fitch believes, reflected the group's fast loan growth in 2012. Fitch expects the level of impaired loans to remain manageable and below 5% in the near term. The reserve coverage ratio of 84.2% at end-March 2014 was acceptable.

Figure 3
Group Loan Split
 End-2013



Source: Fitch

Target growth sectors include power and energy, oil and gas, manufacturing and telecommunications. Within oil and gas, the group is primarily interested in growing its exposure to upstream companies and proven reserve based lending. Like many of the large Nigerian banks, it is hesitant about the downstream market and has actively reduced this book in recent years. Fitch expects the group's exposure to agriculture to remain low.

Significant Exposure to Oil and Gas

FBNH has a significant exposure to the oil and gas sector. It represented 35% of loans at end-2013. The rest of the portfolio is well diversified by industry with no other significant concentrations.

Lower Borrower Concentration than Peers

FBNH's loan book is concentrated although less so than most peers'. The top twenty credit exposures represented 37% and 139% of gross loans and FCC at end-September 2013, respectively.

Mostly Secured Lending

The vast majority of the group's corporate lending is secured although it can be difficult to realise collateral in Nigeria. Domiciliation of receivables represents around two thirds of all collateral held and real estate around a quarter. The maximum loan to value (LTV) ratio for real estate lending is 70% (except for high net worth individuals).

Other Earnings Asset; Low Risk

Other earning assets include mostly interbank placements and investments. Interbank placements are largely with high-quality banks outside Nigeria. FBHN's fixed income portfolio is of high quality. It is mostly made up of government securities and AMCON (Asset Management Corporation of Nigeria) bonds, which are government guaranteed.

Earnings and Profitability

Acceptable Profitability; Challenges Ahead

Figure 4
Earnings and Profitability

(%)	1Q14	2013	2012	2011
Net interest income/average earning assets	7.7	7.9	8.6	7.7
Non-interest expense/gross revenues	66.2	62.6	64.4	61.4
Loans and securities impairment charges/ pre-impairment operating profit	6.5	18.4	11.8	42.4
Operating profit/average total assets	2.6	2.6	3.1	2.0
Operating profit/risk-weighted assets	3.5	4.7	5.2	5.5
Net income/average equity	18.2	15.7	19.0	4.8

Source: FBNH, Fitch

FBNH's financial performance is acceptable although it lags behind its strongest rated peers in terms of cost efficiency and revenue diversification. Earnings weakened somewhat in 2013 as a result of tighter regulatory policies, increased competition and higher loan impairment charges (LICs).

Weaker Earnings Expected

Fitch expects continued pressure on profitability. The main driver is tougher regulations, which will impact FBNH more than most peers' due to its stronger retail focus, but the competitive environment is also intensifying.

FBNH's NII margin fell to 7.9% in 2013 (2012: 8.6%), mostly due to higher funding costs. The minimum deposit rate on savings accounts rose to 3.6% from 1%, and competition for deposits intensified following the CBN's decision to increase the public deposits' cash reserve ratio (CRR) to 50% from 12% in July 2013 (it was subsequently raised to 75% in January 2014). The CRR on other deposits was also raised in 2014 to 15%.

Other regulatory initiatives impacting profitability include the gradual abolition on Commission on Turnover (COT) by 2016 (19.2% of profit before tax in 2013), and the higher AMCON levy of 0.5% of prior year assets in 2013 (0.3% in 2012). From Q413 the AMCON fee also includes a 0.5% charge on one-third of off balance sheet assets.

Strategic Revenue Diversification

FBNH generates a small share of its revenue from non-interest income compared to peers, although Fitch expects this to change. Its new strategic plan involves strengthening its non-interest revenue base, in particular through more transaction related services within both corporate and retail banking.

Efficiency Improvements Expected

The cost to income ratio is high due to the bank’s large retail network. Fitch expects FBNH to become more cost efficient with the continuing reorganisation of operations. Total expenses decreased by 4.4% in 2013, despite the higher AMCON fee.

LICs to Remain Manageable

LICs represented 18.4% of pre-impairment profit in 2013, an increase from 11.8% for 2012. According to FBNH, this relates to credit deterioration among SMEs where reserves have been recognised at an early stage to accelerate the recovery process, and the group expects material write-backs. Fitch expects LICs to remain around 20% of pre-impairment profit in 2014 in light of FBN’s plan to continue to grow its SME loan portfolio, although a more adverse development cannot be ruled out given the high risk operating environment.

Capitalisation and Leverage

Weakened Capitalisation

Figure 5

Capitalisation and Leverage

(%)	1Q14	2013	2012	2011
Fitch core capital/weighted risk	n.a.	15.9	19.3	22.0
Tangible common equity/tangible assets	12.4	12.0	13.6	12.8
Tier 1 regulatory capital ratio	14.4	15.0	17.5	20.8
Total capital ratio	16.8	17.7	19.1	22.2
Internal capital generation	17.8	15.0	10.0	-2.0

Source: FBNH, Fitch

The banking group’s risk weighted capitalisation weakened in 2013 as a result of a dividend payment from the banking operation to the parent company combined with continued growth in risk weighted assets (including the acquisition of its West African operations). This was against Fitch’s expectations. Fitch calculates its Fitch core capital (FCC) ratio based on FBN’s equity and risk-weighted assets rather than total group equity, as the latter is also used to support the group’s other operations. This is consistent with how the group calculates its Tier 1 and total capital ratios.

An FCC ratio at or above 20% is appropriate in light of Nigeria’s challenging and volatile operating environment. As such we view the current capitalisation, with an FCC ratio of 15.9% at end-2013, as somewhat weak for the rating levels.

Funding and Liquidity

Mainly Retail Deposit Funded

Figure 6

Funding and Liquidity

(%)	1Q14	2013	2012	2011
Loans/customer deposits	66.3	61.9	66.0	65.9
Interbank assets/interbank liabilities	589.2	524.9	491.8	252.2
Customer deposits/total funding (excluding derivatives)	89.9	91.6	91.8	84.8

Source: FBNH, Fitch

FBNH is predominantly deposit funded, with nearly half the deposit base comprising of stable and diversified retail deposits. The group is also a significant taker of Nigerian public sector deposits and deposits from its regional network. Its corporate deposit base is small. Its loan to deposit ratio of 66.3% at end-March 2014 was healthy.

FC Funding; Key Liquidity Risk

Some 25% of FBNH's deposit base was made up of foreign currency (FC) denominated accounts at end-2013, most of which related to potentially volatile demand deposits. The group does not have enough FC liquid assets to fully cover a potentially outflow of volatile deposits.

LC Funding; Mostly Stable, Good Liquidity

Most of the group's local currency (LC) funding is in CASAs (current and savings accounts), that Fitch views as stable. The bank also has a material share of more volatile LC funding, predominately term deposits, but it holds sufficient liquid LC assets to meet a potential outflow.

Lower Deposit Concentration than Peers

As is common in Nigeria, the deposit base is concentrated, although less so than peers'. The top twenty depositors represented 20% of total group deposits at end-September 2013. Most of the deposit concentration is in FC.

Support

FBN's IDR Based on Sovereign Support

The 'B+' IDR of FBN is based on sovereign support, with a Support Rating of '4' and Support Rating Floor of 'B+'.

Fitch believes that the Nigerian authorities' willingness to support Nigerian banks is high. Support for the banking sector by the Nigerian authorities has been clearly demonstrated, most recently during the 2008/2009 banking crisis. Despite the market volatility and uncertainty created by the recent suspension of the governor of the CBN, the agency does not believe there is any weakening in support for the Fitch rated banks, which combined form 70% of banking sector assets.

However, the authorities' ability to support the banking sector may be limited. Although total banking sector loans represented a modest 39% of GDP at end-2013, the potential support is constrained by Nigeria's sovereign IDR of 'BB-'.

Fitch views FBN as one of three domestic systemically important banks in Nigeria (D-SIFIs). These have been assigned a Support Rating Floor of 'B+'. All other Nigerian banks that Fitch rates have been assigned a Support Rating Floor of 'B', reflecting Fitch's view that while the authorities would be willing to support them, Fitch does not consider them D-SIFIs. In determining FBN's systemic importance, Fitch has taken into consideration, market shares (particularly in retail deposits), interconnectedness, complexity of operations and local regulatory definitions.

No Sovereign Support for the Holding Company

FBNH has a SR of '5' and SRF of 'NF' (No Floor). This reflects Fitch's view that while the Nigerian authorities' propensity to support the local banks is high, the same level of support would not apply to holding companies. FBNH's 'B' IDR is driven by its VR of 'b'.

FBN Holdings Plc
Income Statement

	31 Mar 2014			31 Dec 2013			31 Dec 2012			31 Dec 2011	
	3 Months - 1st Quarter	3 Months - 1st Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm Unaudited	NGNbn Unaudited	Earning Assets	NGNbn Unqualified	Earning Assets	NGNbn Unqualified	Earning Assets	Audited/Report not seen	NGNbn	Earning Assets	
1. Interest Income on Loans	365.5	58.5	7.58	220.0	7.10	200.2	7.24	151.4	6.00		
2. Other Interest Income	143.8	23.0	2.98	103.6	3.34	95.2	3.44	61.6	2.44		
3. Dividend Income	1.3	0.2	0.03	1.2	0.04	0.7	0.03	4.4	0.17		
4. Gross Interest and Dividend Income	510.5	81.7	10.58	324.8	10.49	296.1	10.71	217.4	8.61		
5. Interest Expense on Customer Deposits	130.1	20.8	2.70	79.5	2.57	60.9	2.20	26.9	1.07		
6. Other Interest Expense	11.8	1.9	0.25	14.0	0.45	7.8	0.28	9.9	0.39		
7. Total Interest Expense	141.9	22.7	2.94	93.5	3.02	68.7	2.49	36.8	1.46		
8. Net Interest Income	368.6	59.0	7.64	231.3	7.47	227.3	8.22	180.6	7.15		
9. Net Gains (Losses) on Trading and Derivatives	(3.3)	(0.5)	(0.07)	(1.5)	(0.05)	1.8	0.06	7.0	0.28		
10. Net Gains (Losses) on Other Securities	(1.9)	(0.3)	(0.04)	2.9	0.09	2.1	0.08	1.6	0.06		
11. Net Gains (Losses) on Assets at FV through Income Statement	(0.0)	(0.0)	(0.00)	n.a.	-	0.0	0.00	(0.5)	(0.02)		
12. Net Insurance Income	3.4	0.5	0.07	1.3	0.04	1.0	0.04	1.2	0.05		
13. Net Fees and Commissions	90.4	14.5	1.87	54.1	1.75	59.9	2.17	47.6	1.88		
14. Other Operating Income	29.1	4.7	0.60	7.5	0.24	8.1	0.29	0.4	0.02		
15. Total Non-Interest Operating Income	117.7	18.8	2.44	64.3	2.28	72.9	2.64	57.3	2.27		
16. Personnel Expenses	148.2	23.7	3.07	65.8	2.13	68.9	2.49	57.5	2.28		
17. Other Operating Expenses	173.5	27.8	3.60	119.2	3.85	124.6	4.51	88.4	3.50		
18. Total Non-Interest Expenses	321.7	51.5	6.67	185.0	5.97	193.5	7.00	146.0	5.78		
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-		
20. Pre-Impairment Operating Profit	164.6	26.3	3.41	110.6	3.57	106.8	3.86	91.9	3.64		
21. Loan Impairment Charge	10.7	1.7	0.22	20.0	0.65	12.8	0.46	34.3	1.36		
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	0.3	0.01	(0.3)	(0.01)	4.6	0.18		
23. Operating Profit	153.9	24.6	3.19	90.3	2.92	94.2	3.41	53.0	2.10		
24. Equity-accounted Profit/ Loss - Non-operating	1.0	0.2	0.02	1.0	0.03	(0.6)	(0.02)	(1.5)	(0.06)		
25. Non-recurring Income	n.a.	n.a.	-	n.a.	-	0.3	0.01	n.a.	-		
26. Non-recurring Expense	0.0	0.0	0.00	n.a.	-	n.a.	-	15.5	0.61		
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-		
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	(0.1)	(0.00)		
29. Pre-tax Profit	154.9	24.8	3.21	91.3	2.95	93.9	3.40	35.9	1.42		
30. Tax expense	20.2	3.2	0.42	20.7	0.67	17.1	0.62	17.2	0.68		
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-		
32. Net Income	134.7	21.6	2.79	70.6	2.28	76.8	2.78	18.6	0.74		
33. Change in Value of AFS Investments	2.5	0.4	0.05	(12.0)	(0.39)	18.5	0.67	(38.5)	(1.53)		
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-		
35. Currency Translation Differences	(15.3)	(2.4)	(0.32)	0.4	0.01	1.1	0.04	0.6	0.02		
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	2.5	0.08	(0.7)	(0.03)	(2.1)	(0.08)		
37. Fitch Comprehensive Income	122.0	19.5	2.53	61.5	1.99	95.6	3.46	(21.4)	(0.85)		
38. Memo: Profit Allocation to Non-controlling Interests	0.9	0.1	0.02	0.5	0.02	(0.2)	(0.01)	(0.9)	(0.04)		
39. Memo: Net Income after Allocation to Non-controlling Interests	133.8	21.4	2.77	70.1	2.26	77.0	2.78	19.5	0.77		
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	32.9	1.19	26.1	1.03		
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-		

Exchange rate USD1 = NGN160.00000 USD1 = NGN155.20000 USD1 = NGN155.27000 USD1 = NGN158.26700

FBN Holdings Plc Balance Sheet

	31 Mar 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	3 Months - 1st Quarter USDm	3 Months - 1st Quarter NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
5. Other Loans	11,823.7	1,891.8	48.99	1,814.2	46.87	1,580.7	48.96	1,285.4	44.94
6. Less: Reserves for Impaired Loans	309.2	49.5	1.28	45.0	1.16	39.3	1.22	32.9	1.15
7. Net Loans	11,514.5	1,842.3	47.71	1,769.1	45.70	1,541.4	47.74	1,252.5	43.79
8. Gross Loans	11,823.7	1,891.8	48.99	1,814.2	46.87	1,580.7	48.96	1,285.4	44.94
9. Memo: Impaired Loans included above	n.a.	n.a.	-	54.3	1.40	41.4	1.28	33.6	1.18
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	3,150.7	504.1	13.05	430.6	11.12	439.9	13.62	462.9	16.18
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
3. Trading Securities and at FV through Income	49.2	7.9	0.20	10.3	0.27	6.1	0.19	4.8	0.17
4. Derivatives	18.9	3.0	0.08	0.0	0.00	0.0	0.00	1.1	0.04
5. Available for Sale Securities	2,668.1	426.9	11.05	549.9	14.20	398.7	12.35	389.3	13.61
6. Held to Maturity Securities	1,698.6	271.8	7.04	327.8	8.47	369.4	11.44	377.1	13.18
7. Equity Investments in Associates	44.9	7.2	0.19	7.0	0.18	6.3	0.20	7.5	0.26
8. Other Securities	403.1	64.5	1.67	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	4,882.7	781.2	20.23	895.0	23.12	780.6	24.18	779.9	27.27
10. Memo: Government Securities included Above	1,593.8	255.0	6.60	353.5	9.13	146.4	4.54	715.9	25.03
11. Memo: Total Securities Pledged	403.1	64.5	1.67	53.7	1.39	50.1	1.55	72.1	2.52
12. Investments in Property	15.1	2.4	0.06	2.4	0.06	4.0	0.12	29.7	1.04
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	19,563.1	3,130.1	81.05	3,097.2	80.01	2,765.8	85.67	2,524.8	88.28
C. Non-Earning Assets									
1. Cash and Due From Banks	3,297.6	527.6	13.66	594.2	15.35	300.5	9.31	199.2	6.97
2. Memo: Mandatory Reserves included above	2,440.3	390.4	10.11	341.2	8.81	191.7	5.94	154.0	5.38
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	511.6	81.9	2.12	81.3	2.10	75.4	2.34	65.9	2.30
5. Goodwill	34.7	5.6	0.14	6.6	0.17	1.6	0.05	n.a.	-
6. Other Intangibles	12.9	2.1	0.05	2.2	0.06	1.9	0.06	1.0	0.04
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	45.3	7.2	0.19	7.1	0.18	8.2	0.25	7.0	0.24
9. Discontinued Operations	67.4	10.8	0.28	10.8	0.28	13.0	0.40	n.a.	-
10. Other Assets	603.5	96.6	2.50	71.7	1.85	61.9	1.92	62.3	2.18
11. Total Assets	24,135.9	3,861.7	100.00	3,871.0	100.00	3,228.4	100.00	2,860.2	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	8,792.2	1,406.7	36.43	1,546.7	39.96	1,354.4	41.95	1,166.5	40.78
2. Customer Deposits - Savings	4,260.7	681.7	17.65	665.7	17.20	548.9	17.00	495.8	17.33
3. Customer Deposits - Term	4,792.3	766.8	19.86	716.7	18.51	491.8	15.23	289.1	10.11
4. Total Customer Deposits	17,845.2	2,855.2	73.94	2,929.1	75.67	2,395.1	74.19	1,951.3	68.22
5. Deposits from Banks	534.8	85.6	2.22	82.0	2.12	89.4	2.77	183.5	6.42
6. Repos and Cash Collateral	658.5	105.4	2.73	58.0	1.50	47.4	1.47	61.1	2.14
7. Other Deposits and Short-term Borrowings	0.0	0.0	0.00	55.7	1.44	54.0	1.67	38.1	1.33
8. Total Deposits, Money Market and Short-term Funding	19,038.4	3,046.1	78.88	3,124.9	80.73	2,586.0	80.10	2,234.0	78.11
9. Senior Debt Maturing after 1 Year	797.4	127.6	3.30	70.6	1.82	21.5	0.67	66.4	2.32
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Total Long Term Funding	797.4	127.6	3.30	70.6	1.82	21.5	0.67	66.4	2.32
13. Derivatives	n.a.	n.a.	-	n.a.	-	n.a.	-	2.9	0.10
14. Trading Liabilities	13.4	2.1	0.06	1.7	0.04	1.8	0.06	n.a.	-
15. Total Funding	19,849.2	3,175.9	82.24	3,197.1	82.59	2,609.3	80.82	2,303.3	80.53
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	11.3	1.8	0.05	1.9	0.05	19.4	0.60	15.1	0.53
4. Current Tax Liabilities	149.4	23.9	0.62	34.2	0.88	23.4	0.72	24.3	0.85
5. Deferred Tax Liabilities	0.3	0.1	0.00	0.0	0.00	0.2	0.01	1.1	0.04
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	12.4	2.0	0.05	1.7	0.05	2.8	0.09	n.a.	-
8. Insurance Liabilities	323.0	51.7	1.34	72.4	1.87	57.1	1.77	50.3	1.76
9. Other Liabilities	719.6	115.1	2.98	91.8	2.37	74.8	2.32	97.7	3.41
10. Total Liabilities	21,065.2	3,370.4	87.28	3,399.2	87.81	2,787.1	86.33	2,491.6	87.11
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	2,534.0	405.4	10.50	384.0	9.92	344.5	10.67	312.4	10.92
2. Non-controlling Interest	29.4	4.7	0.12	4.5	0.12	2.5	0.08	1.0	0.03
3. Securities Revaluation Reserves	95.9	15.3	0.40	15.0	0.39	27.0	0.84	8.5	0.30
4. Foreign Exchange Revaluation Reserves	(2.2)	(0.3)	(0.01)	2.1	0.05	1.7	0.05	0.6	0.02
5. Fixed Asset Revaluations and Other Accumulated OCI	413.6	66.2	1.71	66.2	1.71	65.6	2.03	46.1	1.61
6. Total Equity	3,070.7	491.3	12.72	471.8	12.19	441.3	13.67	368.6	12.89
7. Total Liabilities and Equity	24,135.9	3,861.7	100.00	3,871.0	100.00	3,228.4	100.00	2,860.2	100.00
8. Memo: Fitch Core Capital	3,023.2	483.7	12.53	462.6	11.95	437.8	13.56	366.6	12.82
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NGN160.00000

USD1 = NGN155.20000 USD1 = NGN155.27000 USD1 = NGN158.26700

FBN Holdings Plc
Summary Analytics

	31 Mar 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011
	3 Months - 1st Quarter	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	12.62	13.39	13.97	12.12
2. Interest Expense on Customer Deposits/ Average Customer Deposits	2.92	3.01	2.80	1.58
3. Interest Income/ Average Earning Assets	10.64	11.15	11.19	9.32
4. Interest Expense/ Average Interest-bearing Liabilities	2.89	3.27	2.80	1.83
5. Net Interest Income/ Average Earning Assets	7.68	7.94	8.59	7.74
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	7.46	7.26	8.11	6.27
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	7.68	7.94	8.59	7.74
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	24.20	21.75	24.29	24.09
2. Non-Interest Expense/ Gross Revenues	66.16	62.58	64.44	61.35
3. Non-Interest Expense/ Average Assets	5.40	5.26	6.36	5.60
4. Pre-impairment Op. Profit/ Average Equity	22.18	24.64	26.37	23.87
5. Pre-impairment Op. Profit/ Average Total Assets	2.76	3.14	3.51	3.53
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	6.50	18.36	11.75	42.37
7. Operating Profit/ Average Equity	20.74	20.12	23.27	13.76
8. Operating Profit/ Average Total Assets	2.58	2.57	3.10	2.03
9. Taxes/ Pre-tax Profit	13.01	22.67	18.23	48.04
10. Pre-Impairment Operating Profit / Risk Weighted Assets	n.a.	4.70	5.23	5.47
11. Operating Profit / Risk Weighted Assets	n.a.	3.84	4.62	3.15
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	18.15	15.73	18.97	4.84
2. Net Income/ Average Total Assets	2.26	2.01	2.52	0.71
3. Fitch Comprehensive Income/ Average Total Equity	16.43	13.70	23.61	(5.56)
4. Fitch Comprehensive Income/ Average Total Assets	2.05	1.75	3.14	(0.82)
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	n.a.	n.a.	n.a.
6. Net Income/ Risk Weighted Assets	n.a.	3.00	3.76	1.11
7. Fitch Comprehensive Income/ Risk Weighted Assets	n.a.	2.61	4.69	(1.27)
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	n.a.	19.66	21.46	21.83
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	12.39	11.98	13.58	12.83
4. Tier 1 Regulatory Capital Ratio	n.a.	14.96	17.49	20.82
5. Total Regulatory Capital Ratio	n.a.	17.73	19.08	22.16
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	12.72	12.19	13.67	12.89
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	42.83	140.08
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	n.a.	n.a.	34.41	(122.01)
10. Cash Dividends & Share Repurchase/Net Income	n.a.	n.a.	n.a.	n.a.
11. Internal Capital Generation	17.79	14.97	9.95	(2.03)
E. Loan Quality				
1. Growth of Total Assets	(0.24)	19.91	12.87	21.46
2. Growth of Gross Loans	4.28	14.77	22.97	6.05
3. Impaired Loans/ Gross Loans	n.a.	2.99	2.62	2.62
4. Reserves for Impaired Loans/ Gross Loans	2.61	2.48	2.49	2.56
5. Reserves for Impaired Loans/ Impaired Loans	n.a.	82.97	94.88	97.91
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	n.a.	2.00	0.48	0.19
7. Impaired Loans less Reserves for Impaired Loans/ Equity	n.a.	1.96	0.48	0.19
8. Loan Impairment Charges/ Average Gross Loans	0.37	1.22	0.89	2.75
9. Net Charge-offs/ Average Gross Loans	n.a.	1.16	0.70	4.71
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	n.a.	2.99	2.62	2.62
F. Funding				
1. Loans/ Customer Deposits	66.26	61.94	66.00	65.87
2. Interbank Assets/ Interbank Liabilities	589.20	524.90	491.84	252.24
3. Customer Deposits/ Total Funding (excluding derivatives)	89.90	91.62	91.79	84.83

FBN Holdings Plc
Reference Data

	31 Mar 2014			31 Dec 2013		31 Dec 2012		31 Dec 2011	
	3 Months - 1st Quarter	3 Months - 1st Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	US\$bn	NGNbn	Assets	NGNbn	Assets	NGNbn	Assets	NGNbn	Assets
A. Off-Balance Sheet Items									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	459.7	11.88	322.5	9.99	230.2	8.05
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	233.9	6.04	211.8	6.56	228.9	8.00
5. Committed Credit Lines	n.a.	n.a.	-	408.0	10.54	239.4	7.42	13.5	0.47
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Business Volume	24,135.9	3,861.7	100.00	4,972.6	128.46	4,002.2	123.97	3,332.7	116.52
8. Memo: Risk Weighted Assets	n.a.	n.a.	-	2,352.7	60.78	2,040.4	63.20	1,679.5	58.72
9. Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Fitch Adjusted Risk Weighted Assets	n.a.	n.a.	-	2,352.7	60.78	2,040.4	63.20	1,679.5	58.72
B. Average Balance Sheet									
Average Loans	11,581.1	1,853.0	47.98	1,643.6	42.46	1,433.1	44.39	1,248.8	43.66
Average Earning Assets	19,460.2	3,113.6	80.63	2,912.8	75.25	2,645.3	81.94	2,332.7	81.56
Average Assets	24,164.8	3,866.4	100.12	3,518.1	90.88	3,044.3	94.30	2,607.5	91.17
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	19,915.7	3,186.5	82.51	2,860.2	73.89	2,456.3	76.08	2,013.6	70.40
Average Common equity	2,466.9	394.7	10.22	360.1	9.30	328.5	10.17	315.3	11.02
Average Equity	3,009.7	481.5	12.47	449.0	11.60	404.9	12.54	385.1	13.46
Average Customer Deposits	18,076.0	2,892.2	74.89	2,642.3	68.26	2,173.2	67.32	1,699.5	59.42
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	2,385.7	73.90	1,866.3	65.25
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	56.4	1.75	92.4	3.23
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.3	0.01
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	44.7	1.39	38.1	1.33
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	1.2	0.04	0.0	0.00
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	4.4	0.14	36.9	1.29
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	25.8	0.80	29.5	1.03
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	76.2	2.36	104.5	3.65
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	3,070.7	491.3	12.72	471.8	12.19	441.3	13.67	368.6	12.89
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	3,070.7	491.3	12.72	471.8	12.19	441.3	13.67	368.6	12.89
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	3,070.7	491.3	12.72	471.8	12.19	441.3	13.67	368.6	12.89
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	34.7	5.6	0.14	6.6	0.17	1.6	0.05	0.0	0.00
5. Other intangibles	12.9	2.1	0.05	2.2	0.06	1.9	0.06	1.0	0.04
6. Deferred tax assets deduction	0.0	0.0	0.00	0.4	0.01	0.0	0.00	0.9	0.03
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	3,023.2	483.7	12.53	462.6	11.95	437.8	13.56	366.6	12.82
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange Rate

USD1 = NGN160.00000

USD1 = NGN155.20000 USD1 = NGN155.27000 USD1 = NGN158.26700

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