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Banks

Nigeria
Credit Analysis

First Bank of Nigeria Plc

Ratings

First Bank of Nigeria Plc	Current Ratings
Foreign Currency	
Long-Term IDR*	B+
Short-Term IDR	B
National	
Long-Term	A+(nga)
Short-Term	F1(nga)
Individual	D
Support Rating	4
Support Rating Floor	B+
Sovereign Risk	
Foreign Long-Term IDR	BB-
Local Long-Term IDR	BB-
Country Ceiling	BB-

* IDR – Issuer Default Rating

Outlook

Foreign Long-Term IDR	Stable
Sovereign Foreign Long-Term IDR	Stable

Financial Data

First Bank of Nigeria Plc

	31 Mar 07	31 Mar 06
Total Assets (USDm)	6,907.7	4,799.4
Total Assets (NGNbn)	884.6	616.8
Total Equity (NGNbn)	83.4	64.3
Net Income (NGNbn)	18.4	15.4
Operating ROAA (%)	2.5	2.8
Operating ROAE (%)	24.9	27.0
Tier 1 Ratio (%)	17.4	18.9

Analysts

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Rating Rationale

- The ratings assigned to First Bank of Nigeria Plc (FirstBank) reflect its well-established and growing franchise and improved asset quality. The ratings also take into account Nigeria's difficult operating environment, the bank's concentrated loan book, increased credit exposure to individuals and accelerated credit growth since the financial year-end 31 March 2007 (FYE07).
- During March 2007, FirstBank successfully raised USD175m of debt funding and during May 2007 raised NGN250bn of fresh capital.
- At FYE07 FirstBank reported a 19.5% yoy increase in net income to NGN18.4bn. These results were supported by growth in net interest and non-interest income. As a result of FirstBank's expenditure for its growth initiatives, its cost/income ratio at FYE07 remained stable at 61.8% (FYE06: 61.5%).
- At FYE07, FirstBank's gross loans grew 18% yoy to NGN227.5bn and at 30 September 2007 (H108) the bank reported a 259% annualised rate of growth in net loans. At FYE07 gross loans comprised corporates (60%), small medium enterprises (SMEs, 31%) and individuals (9%).
- As a result of recoveries and significant write-offs of a number of legacy non-performing loans (NPLs) the bank's asset quality indicators have improved significantly, with its NPL ratio declining to 3.0% at FYE07 from 9% at FYE06. Fitch considers loan coverage to be adequate, at 1.05x at FYE07 (FYE06: 0.83x).
- At FYE07 total deposits grew by 33% yoy to NGN598.2bn and comprised corporate (55%), retail (32%) and government (13%) deposits. Liquidity levels remained adequate, with a Fitch-calculated loans/deposits ratio of 31.4% at FYE07 (FYE06: 37.5%).
- In May 2007, FirstBank raised NGN250bn of capital and management estimate that the group's Tier 1 capital adequacy ratio increased to approximately 40% at H108 (FYE07: 17.4%). The bank expects to maintain a Tier 1 capital adequacy ratio of at least 16%. Fitch considers that Tier 1 capital levels will continue to decline if the trend in loan growth continues.

Support

- FirstBank's shares are widely held by Nigerians and international investors, with no single investor having a controlling interest in the bank. In view of FirstBank's systemic importance, support from the Central Bank of Nigeria (CBN) is probable but may be limited, given Nigeria's 'BB-' rating.

Key Rating Drivers

- The Outlook on FirstBank's Long-Term IDR is Stable. Upside drivers to the rating would be the maintenance of strong capitalisation levels, competitive performance measures relative to its peers' and sound asset quality.

Profile

FirstBank is one of the three largest banks in Nigeria by total assets and has a network of 420 branches and 501 ATMs. The bank commenced operations in 1894 and provides universal banking services to corporate and retail clients.

- Among the three largest banks in Nigeria, with a well-established domestic banking franchise
- Significant and growing retail presence
- Strategy geared towards strong growth and modernisation

Profile

FirstBank is a Nigerian-listed universal bank that has been in operation since 1894. FirstBank has a well-established domestic banking franchise and is one of the three largest banks in Nigeria by total assets. The bank's strong domestic franchise is supported by its long operating history, competitive operating performance (see Table 1), and extensive retail (SMEs and individuals) presence — FirstBank currently has 420 branches and 501 ATMs, and has a consumer-focused range of banking products (launched in March 2006). FirstBank's domestic franchise is further strengthened by its status as a settlement bank, primary dealer for the Nigerian bond market and its appointment by the CBN to manage a portion of Nigeria's foreign reserves with the assistance of HSBC Bank Plc (rated 'AA').

In addition to its domestic banking activities, FirstBank has a banking subsidiary in the UK, FBN Bank (UK) Ltd (FBN UK), which primarily provides trade finance- and correspondent banking-related services. Non-banking financial services include: insurance, custodian services, registrar services and trustee services. At FYE07, FirstBank's subsidiaries (bank and non-bank) accounted for 13.8% of group assets and 13.5% of pre-tax earnings.

Strategy

FirstBank's strategy is geared towards strong growth and modernisation, and some of its initiatives include: further branch and ATM expansion to support retail growth; expanding its financial services offering; expanding internationally into regions where trade flows with Nigeria are expected to increase, such as Asia, the Middle East and West Africa; and enhancement of its risk management framework. FirstBank expects to grow, both organically and through mergers and acquisitions. In November 2005, FirstBank commenced merger discussions with EcoBank Transnational Incorporated Plc (ETI; rated 'B+'). ETI is a pan-West African banking group with operations in 19 African countries. Discussions are continuing and final approval will be subject to regulatory approval. To support the bank's growth and modernisation initiatives, in March 2007 the bank raised USD175m debt funding and in May 2007 raised about NGN250bn in fresh capital (see *Funding and Capital*).

Shareholding and Corporate Governance

FirstBank's shares are widely held by Nigerian and international investors. At end-October 2007 the bank reported to the CBN that no shareholder held more than 10% of the bank's shares. At FYE07 the bank's board of directors comprised seven executive directors and eight non-executive directors. As at end-October 2007 the bank was in the process of ensuring two of its non-executive directors were independent, as required by the CBN corporate governance code.

Presentation of Accounts

This report analyses the consolidated performance of FirstBank for the financial year-end 31 March 2007. The group's financial statements analysed in this report, have been prepared in accordance with all relevant Nigerian accounting standards, CBN circulars and the requirements of the Nigerian Companies Act.

- Continued profitability during FY07 supported by growth in interest and non-interest income
- Earnings growth expected to remain robust and supported by a buoyant Nigerian economy

Performance

During 2006 favourable economic conditions supported economic growth and corporate activity in Nigeria — real GDP growth during 2006 was 5.6% and inflation was 8.5%. These conditions supported further growth in FirstBank's balance sheet and profitability. At FYE07 FirstBank reported a 19.5% yoy increase in net income to NGN18.4bn. During FY06 the bank's net income was supported by an NGN3.7bn profit realised in the sale of an equity investment. As a result of lower non-recurring earnings, profit indicators declined at FYE07 compared with the corresponding period in the previous year: return on average equity (ROAE) declined to 24.9% from 27.0% and return on average assets (ROAA) declined to 2.5% from 2.8%. Table 1 compares FirstBank's competitive financial performance indicators to its peers', Guaranty Trust Bank Plc (GTBank) and Zenith Bank Plc (Zenith).

Table 1: Peer Group Financial Performance

	FirstBank 'B+' / 'Stable Outlook' / 'A+(nga)'		GTBank 'B+' / 'Positive Outlook' / 'AA-(nga)'		Zenith 'B+' / 'Positive Outlook' / 'AA-(nga)'	
(NGNbn)	**FYE07**	**FYE06[a]**	**FYE07**	**FYE06**	**FYE07**	**FYE06**
Total assets	884.6	616.8	486.5	308.4	972.8	619.3
Deposits	598.2	448.9	294.5	215.8	574.8	393.3
Total equity	83.4	64.3	50.0	40.8	116.5	100.7
Net income	18.4	15.4	13.2	8.6	18.8	11.6
(%)						
ROAE	24.9	27.0	29.1	23.0	17.3	16.8
ROAA	2.5	2.8	3.3	3.5	2.4	2.5
Cost/income ratio	61.8	61.5	55.9	52.0	63.7	66.0
NPL ratio	3.0	9.0	2.0	3.2	1.7	1.1
Coverage ratio (times)	1.05	0.83	1.30	1.22	1.62	2.04

[a] Restated
Source: Banks, Fitch

Revenue

FirstBank's FY07 earnings comprised interest income (56%) and non-interest income (44%). Interest income is generated by corporate and retail loans, and investment and intermediation in government securities. Non-interest income is driven by volume-based transactions; fee and commission income contribute 76% to non-interest revenue, and the balance is largely attributable to non-interest investment and trading income and recoveries on loans previously written off (see *Loan Loss Reserves*).

At FYE07 net interest income grew 31% to NGN40.2bn as a result of continued credit growth and increased investment and intermediation in government and federal government securities. Partly offsetting net interest income growth was margin pressure resulting from competitive pressures and declining monetary rates. At FYE07 non-interest income increased by 19% to NGN31.9bn, largely as a result of FirstBank's growing retail customer base and higher corporate and retail transaction and loan volumes, which attract fee income.

Operating Expenses

At FYE07, FirstBank's operating expenses increased 27% yoy to NGN44.6bn as a result of increased staff numbers associated with an expanded branch network (at FYE07 FirstBank's staff numbers increased to 7,593 from 7,132 at FYE06); insurance premiums paid for its increased depositor base; and increased depreciation and infrastructure maintenance costs. In line with its growth and modernisation strategy, FirstBank's Fitch calculated cost/income ratio remained stable at 61.8% at FYE07 (FYE06: 61.5%). Other expenses comprised goodwill amortisation of NGN2bn.

Loan Loss Provisions

At FYE07, the bank's impairment charge reduced to NGN2bn from NGN4bn at FYE06 as a result of recoveries made within its non-performing loan portfolio.

Prospects

FirstBank will leverage off its enlarged capital base to extend higher and new single obligor limits to corporate clients. Unlike its peers, FirstBank will expand its consumer credit book to a broader retail market. The bank also expects developments within the Nigerian capital markets and non-bank financial services sector to offer new opportunities.

Given FirstBank's recent NGN250bn capital raising and its enhanced risk management framework (see *Risk Management*), Fitch expects FirstBank's earnings to remain robust amid a benign economic environment. Although the agency expects the bank's ROAE to decline below 20% in the short- to medium term, given the recent significant capital injection, the agency believes that the bank will be in a position to further entrench its domestic banking franchise. However, growth into the untested consumer credit market and accelerated levels of credit growth may result in higher levels of NPLs and may adversely affect the bank's profitability.

- Enhanced risk management framework
- 259% annualised rate of growth in net loans post FYE07
- Credit exposure to the SME and consumer market
- Concentrated credit risk
- NPLs reduced largely as a result of recoveries and write-offs of legacy loans

Risk Management

The primary risks facing FirstBank originate from its lending activities and operational risk. Risk management is ultimately the responsibility of the board of directors and various board and management committees are in place. The risk and management control directorate provides a central oversight of risk management across the bank and its subsidiaries. Credit risk is managed by the board credit committee at board level and credit approval mandates have been delegated to various committees. Corporate and SME credits are risk graded on an eight-grade rating scale, while consumer credits are graded using a scorecard. Market and liquidity risk is managed by the assets and liabilities committee, whilst operational risk is managed by the operational risk management department. The internal audit function independently audits the adequacy and effectiveness of the bank's risk management and control processes. Over the past two years FirstBank has enhanced its risk management framework — an enterprise risk management framework has been implemented; this has resulted in the development of new risk systems/models, implementation of a number of new risk appetite limits (including group credit exposure to the retail market) and the bank has restructured its retail credit process.

Credit Risk

At FYE07 FirstBank's gross loans grew 18% yoy to NGN227.5bn and at H108 credit growth accelerated with the bank reporting a 259% annualised rate of growth in net loans. Management have indicated that a significant portion of the growth was to Nigeria's large corporate sector. At FYE07 gross loans comprised corporates (60%), SMEs (31%) and individuals (9%). At FYE07 FirstBank's largest credit exposure represented 37% of its shareholders' funds and was to FBN UK. This comprised deposits (NGN23.6bn), subordinated loan (NGN3bn) and capital investment (NGN4.4bn). In line with the industry, FirstBank's credit risk is concentrated, with its 20 largest external non-bank exposures (on- and off-balance-sheet) representing 109% of its shareholders' funds at FYE07; although the twenty largest loan exposures accounted for 36% of gross loans these were intentionally spread across a number of sectors. FirstBank's loan exposure to the various industries was primarily to the manufacturing (32%) and oil and mining (17%) sectors. Table 2 highlights FirstBank's gross loan exposure to the various sectors.

Table 2: Gross Loan Exposure by Industry

	(%)	
Industry	**FYE07**	**FYE06**
Agriculture	1	1
Oil and mining	17	15
Manufacturing	32	31
Real estate & construction	7	6
Public utilities	0	1
General commerce	10	20
Transport & communication	7	6
Financial	13	14
Government	0	1
General	13	5
Total	**100**	**100**

Source: FirstBank

In line with industry practice, almost all of FirstBank's lending was secured, and the bank's financial statements indicated that at FYE07 17% of gross loans were secured by real estate, 81% by other tangible security and the balance of 2% was unsecured. FirstBank's loan exposures are relatively short-dated and at FYE07, 54% of gross loans matured within six months, 24% between six and twelve months and 22% had maturities of longer than one year. Foreign-currency-denominated loans (primarily dollar-denominated) are largely to corporate clients involved in importing and exporting, and constituted about 17% of gross loans at FYE07 (FYE06: 20%).

FirstBank expects loan growth to continue in the future as it begins to leverage off its expanded risk and working capital base to extend higher credit limits to corporate clients and further expand into the retail sector. Although Fitch acknowledges that FirstBank has made enhancements in its risk management framework and asset quality indicators have improved (see *Loan Loss Reserves*), Fitch notes that accelerated levels of credit growth since FYE07 could lead to higher levels of NPLs. Furthermore, the retail credit sector remains undeveloped — an established credit bureau is currently not in place, the Nigerian legal infrastructure remains undeveloped and FirstBank's consumer credit book has yet to pass through a complete credit cycle.

At FYE07, FirstBank's off-balance sheet liabilities increased strongly by 72% yoy to NGN198.9bn from NGN115.9bn at FYE06. This growth was as a result of strong growth in acceptances, guarantees and indemnities. Approximately 66% of the bank's acceptances, guarantees and indemnities exposure was secured by cash and other tangible assets.

Other Earning Assets

At FYE07 FirstBank's other earning assets of NGN552.1bn comprised deposits with banks (47%), Nigerian government securities (50%) and equity investments (3%). Deposits with banks were primarily with reputable international correspondent banks and its UK subsidiary.

Loan Loss Reserves

Post the Nigerian banking consolidation which culminated in 31 December 2005, FirstBank recorded very poor asset quality levels — in 2003 the bank's NPLs had peaked to 40% over the seven years leading to 31 December 2005. However, over the past two years FirstBank has focused on improving its asset quality, and has made significant recoveries and has written off a number of legacy NPLs (greater than 10 years). At FYE07 absolute NPLs reduced significantly to NGN6.7bn from NGN17.3bn as a result of write-offs of NGN10.6bn. This translated into a significant improvement in the NPL ratio to 3% at FYE07 from 9% at FYE06. At FYE07 the bank's loan coverage also improved significantly to 1.05x from 0.83x at FYE06. FirstBank now targets a tolerance level of 3% for NPLs and loan coverage of at least 1x.

Market Risk

Fitch considers market risk in FirstBank to be low. Interest rate risk is considered insignificant, given the bank's ability to reprice its interest sensitive assets and liabilities rapidly. At FYE07 74% and 59% of interest sensitive assets and liabilities, respectively, repriced within 90 days. FX risk is considered to be adequately managed within regulatory net open FX position limits. At FYE07, the regulatory limit was USD88m and exposure at FYE07 was USD10.5m. At FYE07 FirstBank's equity exposure was insignificant.

Operational Risk

In line with the industry, Fitch views FirstBank's operational risk as high due to the difficult operating environment, highlighted by Nigeria's poor economic and legal infrastructures. This is exacerbated by FirstBank's expansive branch and ATM network and strong growth initiatives. Fitch does however acknowledge that FirstBank's initiatives to develop its risk and operational infrastructures should help alleviate operational risk pressures.

- Funding base supported by strong retail deposit base and USD175m debt issue
- Capital levels supported by NGN250bn capital raising
- Tier 1 capital levels will continue to decline if the trend in loan growth continues

Funding and Capital

Funding

Customer deposits grew 33% yoy to NGN598.2bn at FYE07. At FYE07, FirstBank's deposits comprised corporate (55%), retail (32%) and government (13%). Consistent with its strong retail base, the bank's depositor concentration is low relative to its peers' and at FYE07 the bank's top 20 depositors accounted for 9.9% of total deposits. Foreign-currency-denominated customer deposits comprised 14% of total customer deposits at FYE07 (FYE06: 10%). At FYE07 50% (NGN297.1bn) of the bank's deposits were on-demand and were covered by the bank's liquid assets (see *Liquidity*). At FYE07 the significant increase in interbank deposits was as a result of the reliance of interbank funding in FBN UK – at FYE07 88% of FBN UK's deposits were from banks and 36% of this funding was on demand. Most of FBN UK's lending is to other bank's including to its parent, FirstBank.

In March 2007, FirstBank successfully raised USD175m (NGN22.1bn) of debt funding in the international capital markets. The bond matures on 30 March 2017 and the proceeds will be used to fund foreign currency-denominated loans to its exporting and importing clients. For regulatory purposes the bond qualifies as Tier 2 capital.

Liquidity

Fitch considers FirstBank's liquidity indicators to be adequate, with a Fitch-calculated loan/deposit ratio of 31.4% at FYE07 (FYE06: 37.5%). At the same point, FirstBank's liquid assets were supported by cash (NGN61.8bn), deposits with banks (NGN257.4bn) and realisable investments in government securities (NGN278.1bn). These assets accounted for 68% of total assets at FYE07.

Capital

At FYE07 the bank's shareholders' funds increased 30% yoy to NGN83.4bn due to continued profitability. In line with the Nigerian banking industry, FirstBank has a relatively low dividend cover of approximately 1.8x (FYE07: 1.75x) and this will constrain internal capital generation. At FYE07 FirstBank's group Tier 1 capital adequacy ratio was 17.4% (FYE06 18.9%). In May 2007, FirstBank raised NGN250bn of capital and management estimates that the group's Tier 1 capital adequacy ratio is now approximately 40%.

Fitch considers that Tier 1 capital levels will continue to decline if the trend in loan growth continues. FirstBank has indicated that it has a minimum Tier 1 capital adequacy ratio of 16%. Given the bank's concentrated credit risk, credit expansion into the untested consumer sector and accelerated levels of credit growth, Fitch believes that FirstBank needs to maintain strong levels of Tier 1 capital.

Balance Sheet Analysis

FIRST BANK OF NIGERIA (C.)

	31 Mar 2007				31 Mar 2006		31 Mar 2005		31 Mar 2004	
	Year End USDm Original	Year End NGNbn Original	As % of Assets Original	Average NGNbn Original	Year End NGNbn Restated	As % of Assets Restated	Year End NGNbn Original	As % of Assets Original	Year End NGNbn Original	As % of Assets Original
A. LOANS										
1. Secured Loans	1,656.6	212.1	23.98	191.2	170.2	27.60	118.2	25.10	76.7	19.95
2. Other Loans	44.4	5.7	0.64	4.9	4.1	0.66	3.9	0.83	3.2	0.82
3. Leased Assets	23.8	3.0	0.34	2.4	1.7	0.28	1.3	0.27	1.3	0.34
4. Impaired Loans	52.4	6.7	0.76	12.0	17.3	2.81	39.6	8.40	46.4	12.07
5. (Loan Loss Reserves)	55.3	7.1	0.80	10.7	14.4	2.33	37.9	8.06	42.7	11.11
TOTAL A	**1,721.8**	**220.5**	**24.93**	**199.8**	**179.0**	**29.02**	**125.0**	**26.55**	**84.8**	**22.08**
B. OTHER EARNING ASSETS										
1. Deposits with Banks	2,010.1	257.4	29.10	213.5	169.6	27.49	129.3	27.46	129.4	33.69
2. Realisable Securities	2,171.8	278.1	31.44	215.7	153.4	24.86	117.0	24.84	98.8	25.73
3. Other Investments	129.6	16.6	1.88	16.2	15.8	2.56	10.3	2.19	17.5	4.54
TOTAL B	**4,311.5**	**552.1**	**62.42**	**445.5**	**338.8**	**54.92**	**256.6**	**54.49**	**245.7**	**63.96**
C. TOTAL EARNING ASSETS (A+B)	**6,033.3**	**772.6**	**87.34**	**645.2**	**517.8**	**83.94**	**381.6**	**81.04**	**330.5**	**86.03**
D. FIXED ASSETS	**135.1**	**17.3**	**1.96**	**15.8**	**14.2**	**2.31**	**12.7**	**2.69**	**10.1**	**2.63**
E. NON-EARNING ASSETS										
1. Cash and Due from Banks	482.8	61.8	6.99	56.4	51.0	8.27	32.9	6.98	19.3	5.01
2. Other	256.6	32.9	3.71	33.3	33.8	5.49	43.7	9.28	24.3	6.33
F. TOTAL ASSETS	**6,907.7**	**884.6**	**100.00**	**750.7**	**616.8**	**100.00**	**470.8**	**100.00**	**384.2**	**100.00**
G. DEPOSITS AND MONEY MARKET FUNDING										
1. Customer Deposits	4,671.1	598.2	67.62	523.5	448.9	72.78	331.8	70.47	255.5	66.50
2. Inter-bank Deposits	817.2	104.7	11.83	66.8	28.9	4.68	19.5	4.15	n.a.	-
3. Other	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
TOTAL G	**5,488.3**	**702.8**	**79.45**	**590.3**	**477.8**	**77.46**	**351.3**	**74.62**	**255.5**	**66.50**
H. OTHER FUNDING										
1. Subordinated Debt	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Other Long-term Borrowing	172.6	22.1	2.50	11.1	0.0	0.00	n.a.	-	n.a.	-
3. Hybrid Capital	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.00	0.0	0.00
I. OTHER (Non-int. bearing)	**595.7**	**76.3**	**8.62**	**75.5**	**74.8**	**12.12**	**69.7**	**14.81**	**86.4**	**22.49**
L. EQUITY	**651.1**	**83.4**	**9.43**	**73.8**	**64.3**	**10.42**	**49.8**	**10.58**	**42.3**	**11.01**
M. TOTAL LIABILITIES & EQUITY	**6,907.7**	**884.6**	**100.00**	**750.7**	**616.8**	**100.00**	**470.8**	**100.00**	**384.2**	**100.00**
Exchange Rate		USD1 = NGN 128.0600			USD1 = NGN 128.5200		USD1 = NGN 132.3500		USD1 = NGN 133.3500	

Income Statement Analysis

FIRST BANK OF NIGERIA (C.)

	31 Mar 2007		31 Mar 2006		31 Mar 2005		31 Mar 2004	
	Income Expenses NGNbn Original	As % of Total AV Earning Assts Original	Income Expenses NGNbn Restated	As % of Total AV Earning Assts Restated	Income Expenses NGNbn Original	As % of Total AV Earning Assts Original	Income Expenses NGNbn Original	As % of Total AV Earning Assts Original
1. Interest Income	58.4	9.06	40.7	9.06	36.5	10.24	33.3	9.65
2. Interest Expense	18.2	2.82	10.0	2.23	8.6	2.40	6.6	1.90
3. NET INTEREST REVENUE	**40.2**	**6.24**	**30.7**	**6.83**	**27.9**	**7.84**	**26.7**	**7.74**
4. Net Fees and Commissions	24.1	3.73	18.8	4.17	12.9	3.62	n.a.	-
5. Other Operating Income	7.8	1.21	7.9	1.77	7.9	2.22	18.0	5.22
6. Personnel Expenses	19.9	3.09	15.3	3.41	12.8	3.58	n.a.	-
7. Other Operating Expenses	24.7	3.82	19.9	4.43	16.7	4.69	26.9	7.80
8. Loan Loss Provisions	2.0	0.31	4.0	0.89	2.4	0.68	3.0	0.86
9. OPERATING PROFIT	**25.6**	**3.96**	**18.1**	**4.03**	**16.8**	**4.72**	**14.9**	**4.30**
10. Other Income and Expenses	-2.0	-0.31	-2.0	-0.44	n.a.	-	n.a.	-
11. PROFIT BEFORE EXCEPTIONAL ITEMS	**23.6**	**3.65**	**16.1**	**3.59**	**16.8**	**4.72**	**14.9**	**4.30**
12. Exceptional Items	0.0	0.00	3.7	0.82	n.a.	-	0.0	0.00
13. PRE-TAX PROFIT	**23.6**	**3.65**	**19.8**	**4.41**	**16.8**	**4.72**	**14.9**	**4.30**
14. Taxes	5.2	0.80	4.5	0.99	3.6	1.00	3.4	0.98
15. PUBLISHED NET INCOME INCLUDING MINORITIES	**18.4**	**2.85**	**15.4**	**3.42**	**13.2**	**3.72**	**11.5**	**3.33**
17. Memo: FITCH NET INCOME	18.4	2.85	15.4	3.42	13.2	3.72	11.5	3.33

Ratio Analysis

FIRST BANK OF NIGERIA (C.)

		31 Mar 2007 Original	31 Mar 2006 Restated	31 Mar 2005 Original	31 Mar 2004 Original
I. PROFITABILITY LEVEL					
1. Pre-tax Profit/Total Assets (av.)	%	3.14	3.65	3.93	3.74
2. Net Income/Equity (av.)	%	24.90	27.00	28.73	32.72
3. Net Income/Total Assets (av.)	%	2.45	2.83	3.10	2.90
4. Non-int. Exp./Net Interest Rev. + Other Operating Income	%	61.79	61.47	60.49	60.20
5. Net Interest Rev./Total Assets (av.)	%	5.36	5.65	6.53	6.74
II. CAPITAL ADEQUACY (year end)					
1 Internal Capital Generation	%	24.90	17.81	15.00	17.25
2. Equity/Total Assets	%	9.43	10.42	10.58	11.01
3. Equity/Loans	%	37.82	35.91	39.84	49.89
4. Capital/Risks - Tier 1	%	17.39	18.89	18.40	19.54
5. Capital/Risks - Total	%	23.35	19.69	19.40	21.54
III. LIQUIDITY (year end)					
1. Liquid Assets/Deposits and Money Market Funding	%	84.99	78.27	79.44	96.89
2. Loans/Deposits and Money Market Funding	%	31.37	37.47	35.59	33.20
IV. ASSET QUALITY					
1. Net Charge-offs/Loans (av.)	%	n.a.	n.a.	n.a.	-4.52
2. Provision for Loan Losses/Loans Gross (av.)	%	0.95	2.24	1.67	2.58
3. Provision for Loan Losses/Profit before Provisions and Taxes	%	7.84	16.72	12.64	16.59
4. Loan Loss Reserves/Loans Gross	%	3.11	7.43	23.28	33.48
5. Impaired Loans Gross/Loans Gross	%	2.95	8.97	24.28	36.37
6. Loan Loss Reserves/Impaired Loans Gross	%	105.44	82.84	95.88	92.07
7. Impaired Loans Net/Equity	%	-0.44	4.63	3.27	8.69