Fitch Ratings
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Banks

Nigeria
Credit Analysis

First Bank of Nigeria Plc

Ratings

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

Outlooks

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

Financial Data

First Bank of Nigeria Plc

	31 Mar 08	31 Mar 07
Total assets (USDm)	12,947.7	7,117.0
Total assets (NGNbn)	1,527.5	911.4
Total equity (NGNbn)	355.6	83.6
Net income (NGNbn)	36.5	18.7
ROAA (%)	3.0	2.4
ROAE (%)	16.6	25.2
Tier 1 ratio (%)	39.2	17.4

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Rating Rationale

- The ratings assigned to First Bank of Nigeria Plc (FBN) reflect the limited probability of support for FBN in case of need from the Nigerian authorities. FBN's well established domestic franchise would mean a high level of willingness to support, but the propensity is limited by Nigeria's sovereign 'BB–' IDR. FBN's Individual Rating factors in Nigeria's difficult operating environment, rapid credit growth and concentrated credit risk. The ratings also consider FBN's improved levels of capitalisation and strong earnings growth.
- At FYE08, FBN reported a 96% year-on-year increase in net income on the back of strong growth in net interest income and commission and fee income. These improvements were achieved following loan book growth which was leveraged off an increased capital base. The growth in revenues caused the bank's efficiency indicators to improve to 56.1% at FYE08 (FYE07: 61.7%). Fitch Ratings believes that lower oil prices and the global credit crisis could slow Nigeria's economic growth, which may cause FBN's earnings growth to slow.
- Credit growth within FBN was rapid during FY08 with significantly increased exposure to retail customers. On the back of loan growth and write-offs, FBN's non-performing loan (NPL) ratio declined to 1.5% at FYE08 (FYE07: 2.2%). However, in absolute terms, NPLs rose rapidly to NGN7.3bn at FYE08, after the bank wrote-off NGN5.6bn of NPLs. Although coverage ratios remained adequate and at 131% at FYE08, the agency considers that there is a risk that the rapid rate of credit growth could lead to deteriorating asset quality indicators.
- FBN's liquidity indicators tightened in FY08 as customer deposit growth was outpaced by rapid growth in loans and advances. This caused the bank's Fitch-calculated loan/deposit ratio to increase to 54.9% at FYE08 (FYE07: 32.3%).
- FBN reported a group Tier 1 capital ratio of 39.2% at FYE08, up from 17.4% at FYE07 as a result of the proceeds of a rights and public offering of NGN250bn during May 2007. Rapid growth in risk weighted assets since FYE08 caused FBN's group Tier 1 capital ratio to decline to 25.1% at H109. While Fitch views FBN's Tier 1 capital ratio at H109 to be acceptable, the agency notes that the bank's capital adequacy will be significantly eroded if there is a continuation of rapid growth in risk-weighted assets.

Support

- FBN's shares are widely held by Nigerians and international investors, with no single investor having a controlling interest in the bank. In view of FBN'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 FBN's Long-Term IDR is Stable. Upside potential in FBN's ratings is limited given rapid levels of credit growth. Worsening asset quality or a steep drop in capital ratios would be a credit negative.

Profile

FBN is one of Nigeria's largest banks by total assets, with a network of 453 branches and 531 ATMs at FYE08. The bank commenced operations in 1894 and provides universal banking services to corporate and retail clients.

- Among the top three banks in Nigeria, with a well-established domestic banking franchise
- Significant and growing retail presence
- Increased contribution from group's bank and non-bank subsidiaries
- Strategy geared towards strong growth and modernisation

Profile

FBN is a Nigerian-listed universal bank that has been in operation since 1894. FBN 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 presence (SMEs and individuals). At FYE08, FBN had 453 branches (FYE07: 420) and 531 ATMs (FYE07: 501), while targeting a network of around 600 branches nationwide. FBN's domestic franchise is further strengthened by its status as a settlement bank and a 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, FBN has a banking subsidiary in the UK, FBN Bank (UK) Ltd (FBN UK), which primarily provides services related to trade finance and correspondent banking; in H109, it opened a Paris branch. Other (Nigerian) subsidiaries are active in specialist niches such as capital markets (FBN Capital Ltd), pension funds custody (First Pension Custodian Ltd), real estate finance (FBN Mortgages Ltd), insurance (FBN Insurance Brokers Ltd), venture capital (First Funds Ltd), currency exchange (FBN Bureau de Change Ltd), registrar services (First Registrars Nigeria Ltd) and trustee services (First Trustees Nigeria Ltd).

During FY08, FBN injected GBP60m (NGN14.1bn) of capital into FBN UK, roughly tripling its shareholders' funds. It also increased the working capital of its capital markets subsidiary (by NGN3bn) and its real estate finance subsidiary (by NGN2bn). These operations, and the first-time consolidation of three subsidiaries in FY08, raised the total contribution of the bank and non-bank subsidiaries to 24% of group assets and 20% of pre-tax profit at FYE08 (from 16% of group assets and pre-tax profit at FYE07). The bank has received final regulatory approval to set up a microfinance subsidiary in Nigeria, while a provisional license has been granted to its Nigerian life insurance subsidiary; the bank is awaiting regulatory approval to open a representative office in China.

Strategy

FBN's strategy is geared towards strong growth and modernisation, helped by the raising during FY07 of NGN250bn in fresh capital. The bank's growth objectives include: further branch and ATM expansion to support the mobilisation of deposits and to increase the bank's retail loan portfolio, with the aim of increasing retail loans to 40% of the total portfolio; development of new products and financial services to complement its retail product offering and position it in niches where management sees strong potential for growth; and international expansion into regions where trade flows with Nigeria are expected to increase, such as Asia, the Middle East and West Africa. The bank is also taking steps to bring down costs, including a new organisational structure and the appointment of a CFO, and to enhance its risk management framework in order to cope with the rapid credit growth.

To achieve its objective of doubling the balance sheet on an annual basis, the bank considers both organic growth and acquisition-driven growth. In November 2005, FBN commenced discussions with Ecobank Transnational Incorporated (rated 'B+') about a possible combination with its Nigerian subsidiary, Ecobank Nigeria Plc (rated 'B'), but no agreement has yet been reached.

Shareholding and Corporate Governance

FBN's shares are widely held by Nigerian and international investors. At FYE08, the bank's biggest shareholder was the bank's staff pension fund, owning 3.4% of capital, with board members together owning another 3.2%. In addition to the chairman and the CEO, the bank's board of directors comprises six executive directors and seven non-executive directors, one of which is deemed independent by the bank. On 1 January 2009, the current head of risk and management control will take over as the bank's CEO due to the retirement of his predecessor.

- Strong growth in net earnings to FY08 with revenue growth outpacing cost increases
- Financial performance indicators are in line with peers
- Earnings growth likely to decline on the back of slower levels of economic activity

Presentation of Accounts

This report analyses the consolidated performance of FBN for the financial year to 31 March 2008. 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. As such, the auditors' opinion on the full-year financial statements was unqualified.

Performance

Nigeria has enjoyed a relatively benign environment over the past few years with real GDP growth of 5.9% for 2007, relatively stable interest and exchange rates and low core inflation. During this period the Nigerian banking sector has grown strongly, with Fitch's Bank Systemic Risk Report of October 2008 indicating that Nigeria's private sector credit growth was the fastest of the countries covered by Fitch. This caused the agency to increase Fitch's Macro Prudential Indicator to '2' in April 2008 indicating a moderate degree of systemic risk given the trend in loan growth. Nigerian banks have been largely insulated from the global credit crisis, although significant declines in the local equity market during 2008 and slower levels of deposit growth caused a tightening of liquidity. In September 2008, the Central Bank of Nigeria responded by reducing the minimum liquidity threshold for domestic banks to 30% from 40%.

At FYE08, FBN reported a 96% yoy increase in net income to NGN36.5bn, which translated in an improved return on average assets (ROAA) of 3.0%, up from 2.4%. However, return on average equity (ROAE) declined to 16.6% from 25.2% due to a more than threefold increase in shareholders' funds. Table 1 compares FBN's competitive financial performance indicators to those of its peers, Guaranty Trust Bank PLC (GTBank) and Zenith Bank Plc (Zenith), which exhibit a similar pattern of rising net income on the back of a significant increase in shareholder funds.

Table 1: Peer Group Financial Performance

LT IDR/Outlook/ National LT Rating	FBN 'B+'/Stable/'A+(nga)'		GTBank 'B+'/Stable/'AA–(nga)'		Zenith 'B+'/Positive/'AA–(nga)'	
(NGNbn)	FYE08	FYE07	FYE08	FYE07	12 months to 30 Jun 08[a]	FYE07
Total assets	1,527.5	911.4	735.7	486.5	1,581.0	972.8
Customer deposits	700.2	599.7	364.6	294.5	963.2	574.8
Total equity	355.6	83.6	163.3	50.0	339.4	116.5
Net income	36.5	18.7	21.2	13.2	41.0	18.8
(%)						
ROAE	16.6	25.2	19.9	29.1	18.0	17.3
ROAA	3.0	2.4	3.5	3.3	3.2	2.4
Cost/income ratio	56.1	61.7	49.6	54.8	58.2	63.7
NPL ratio	1.5	2.2	1.3	2.0	1.8	1.7
Coverage ratio (times)	1.31	1.41	1.66	1.30	1.25	1.62

[a] Unaudited
Source: Banks, Fitch

Revenue

FBN's FY08 earnings comprised interest income (68%) and non-interest income (32%). Interest income is generated by corporate and retail loans, and investment and intermediation in government securities. Non-interest income is largely driven by volume-based transactions, although part is from custody, advisory, trustee and registrar services at the bank's subsidiaries; fee and commission income contribute 74% to non-interest revenue, and the balance is largely attributable to non-interest investment and trading income and recoveries on loans previously written off.

At FYE08, total operating revenues grew by 67% yoy. Net interest income grew by 88% to NGN82.9bn as a result of rapid credit growth and increased investment and intermediation in government and federal government securities. Over the same period, non-interest income increased by 35% to NGN38.6bn, largely due to higher loan volumes and increased corporate and retail transactions, which generate fee income.

Operating Expenses

At FYE08, FBN's operating expenses increased 52% yoy to NGN68.2bn, mainly as a result of increased personnel expenses associated with an expanded branch network (staff numbers increased to 8,810 at FYE08 from 7,593 a year earlier), as well as insurance premiums paid for its increased depositor base, and increased depreciation and infrastructure maintenance costs. As cost increases were outpaced by revenue growth, the bank's Fitch-calculated cost/income ratio improved to 56.1% at FYE08 (FYE07: 61.7%).

Loan Loss Provisions

The 202% yoy increase in loan impairment charges to FYE08 resulted from a rapid increase in non-performing loans (see *Loan Loss Reserves*) and the CBN requirement to make a 1% provision for all performing balances.

H109 Results

FBN disclosed in a Nigerian Stock Exchange statement that, at end-H109, its group net income had increased by 56% yoy to NGN23.8bn on the back of a 46% increase in gross revenues.

Prospects

In FY09, FBN will continue to leverage off its expanded working capital base to extend higher credit limits to corporate clients and further expand into the retail sector. Although the bank's ROAE fell below 20% at FYE08, the bank's ROAE should improve again as it deploys capital; the bank targets a minimum return on equity of 25%.

Fitch believes that FBN's entrenched Nigerian franchise makes it well-positioned to execute its retail focused growth strategy, while there is also strong potential for growth at the bank's niche subsidiaries. However, the agency views the bank's objective of increasing retail loans to 40% of the total portfolio (from 20% at FYE08) with some concern, given the underdeveloped nature of the retail credit sector — an established credit bureau is not yet in place, the Nigerian legal infrastructure remains undeveloped and FBN's consumer credit book has yet to pass through a complete credit cycle.

In the light of this, Fitch considers that the rapid rate of credit growth could lead to deteriorating asset quality indicators and negatively impact the bank's financial performance. Furthermore, while FBN's recent performance has benefited from benign economic conditions, Fitch believes that lower oil prices and the global credit crisis could slow Nigeria's economic growth, which may cause FBN's earnings growth to slow.

Risk Management

- Enterprise Risk Management framework being implemented
- Rapid credit growth to FYE08 and H109, particularly in retail
- Concentrated credit risk
- Strong growth in absolute level of NPLs to FY08

The primary risks facing FBN originate from its lending activities and operational risk. Over the past few years, FBN has been implementing an Enterprise Risk Management framework; this has resulted in the development of new risk systems/models, implementation of a number of new risk appetite limits, and the restructuring of the bank's retail credit process. 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; quarterly portfolio reports to the board present trends in the bank's credit risk. 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 mainly by the assets and liabilities committee, while 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, while an internal control function provides a pre-disbursement check for all loans.

Credit Risk

At FYE08, FBN's gross loans grew by 110.1% yoy to NGN479.3bn; this rapid credit growth continued into H109 with a 169% annualised rate of growth in gross loans. However, Fitch is aware that the rate of loan growth in H109 would have been somewhat lower if strong lending growth to commercial banks had been included in interbank placements rather than in loans and advances. At FYE08, corporates made up 67% of the loan portfolio, with retail (20%) and consumer lending (13%) making up the balance; the retail segment increased to 24% of the loan portfolio at end-H109. In line with the industry, FBN's credit risk is concentrated, with its 20 largest non-bank exposures representing 52% of shareholders' funds and 38% of gross loans at FYE08. At FYE08, FBN's largest loan exposure, representing 11% of shareholders' funds, was a private equity investment in a company that provides specialised loans for infrastructure, consisting partly of equity and partly of convertible debt. The second-largest exposure was a credit line to the bank's trustee subsidiary for investments and on-lending to third parties.

Table 2 highlights FBN's gross loan exposure to the various sectors. At FYE08, FBN's largest loan exposures by industry were to the oil and gas (28%) and financial (19%) sectors. Within the financial sector, most of the exposures were to asset managers, partly in the form of share lending facilities.

Table 2: Gross Loan Exposure by Industry

Industry (%)	FYE08	FYE07
Agriculture	1	1
Oil and gas	28	17
Manufacturing	10	32
Real estate and construction	10	7
Public utilities	0	0
General commerce	8	10
Transport and communication	6	7
Financial	19	13
Government	0	0
General	18	13
Total	**100**	**100**

Source: FBN

During H109, the bank further increased its exposure to asset managers and commercial banks, mostly in the form of placement lines being granted through the bank's subsidiaries. These are not classified as interbank placements given that, according to CBN regulations, all exposures to subsidiaries are to be treated as loans and advances. Management has indicated that, although loan approval processes at the subsidiaries are not handled directly by the bank, the subsidiaries are bound by the group's counterparty ratings and exposure limits.

In line with industry practice, almost all of FBN's lending was secured, and the bank's financial statements indicated that at FYE08 15% of gross loans were secured by real estate, 80% by other tangible security and the balance of 5% was unsecured. For residential and commercial property lending, the bank extends financing based on a loan-to-value ratio up to 80%.

FBN's loan exposures are relatively short-dated, although FBN is reporting an increasing proportion of longer-term loans; at FYE08, 48% (FYE07: 46%) of gross loans matured within three months, 17% (FYE07: 32%) between three and 12 months, and 35% (FYE07: 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 USD loans constituted about 22% of gross loans at FYE08.

At FYE08, FBN reported share lending facilities totalling NGN33.0bn; this represented 6.9% of the bank's gross loans, below the bank's internal limit of 10%.

These facilities are granted to corporates, stock brokers and individuals for the purpose of acquiring FBN-approved shares. At FYE08, the average coverage level was 214%, above the bank's minimum coverage requirement of 130%. Since then, average coverage levels have dropped significantly due to the declines on the Nigerian stock exchange. At end-H109, total lending facilities had risen to NGN58.8bn, with an average coverage level of 135% and 4.6% of the share lending portfolio having coverage ratios below 130%. Since then, FBN has increased its minimum coverage requirement while putting new share lending on hold.

FBN's off-balance-sheet liabilities increased by 61% to NGN553.8bn in FY08, mainly due to the doubling of assets/liabilities under custody at the bank's pension funds subsidiary to NGN291.6bn from NGN145.2bn at FYE07. There was also growth of trade-related acceptances, guarantees and indemnities (NGN124.9bn), bonds and performance guarantees (NGN90.0bn) and treasury bills intermediation and other off-balance-sheet items (NGN47.2bn).

Other Earning Assets

At FYE08, FBN's other earning assets of NGN894.8bn comprised interbank placements (NGN527.9bn), Nigerian government securities (NGN263.2bn) and managed funds (NGN62.6bn), with the remainder of NGN41.1bn being mainly equity investments. Interbank placements were primarily with Nigerian banks, reputable international correspondent banks and its UK subsidiary.

Loan Loss Reserves

Since FYE03, when impaired loans peaked at 40% of gross loans, asset quality indicators have markedly improved due to significant recoveries and large write-offs on legacy NPLs (greater than 10 years). At FYE08, FBN's NPL ratio fell to 1.5% from 2.2% at FYE07, which is among the lowest in the industry. However, in absolute terms, NPLs increased rapidly to NGN7.3bn at FYE08 from NGN(0.6)bn after the bank wrote off NGN5.6bn of NPLs during FY08. Loan coverage remained adequate at 1.31x at FYE08 (FYE07: 1.41x). FBN currently targets a tolerance level of 3% for NPLs and loan coverage of at least 1x.

Market Risk

Fitch considers interest rate risk in the loan book to be low, given the bank's ability to reprice its interest sensitive assets and liabilities rapidly. However, significant market risk arises from the bank's proprietary trading activities in Nigerian government bonds, treasury bills and commercial paper, which contribute around one-fifth of net earnings. Internal limits are set at 20% of customer deposits for both trading in government bonds and trading in treasury bills, which Fitch considers quite large.

The bank also has some FX trading, mostly client-related, but utilisation levels remain far below the internal limit for the net open FX position (NGN46.5bn at FYE08). At FYE08, the bank did not have equity-trading activities, although the bank's capital markets subsidiary occasionally takes positions.

Operational Risk

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

- Well-established franchise supports a diversified and stable depositor profile
- The loan/deposits ratio is increasing but the bank has a large liquidity portfolio
- Current capitalisation is acceptable, but will erode quickly if rapid credit growth persists

Funding and Capital

Funding

Customer deposits grew 17% yoy to NGN700.2bn at FYE07. At that date, the bank's deposits comprised corporate (32%), retail (61%) and government (7%), marking a strong increase in retail deposits. Consistent with its strong retail base, the bank's depositor concentration is low relative to its peers' and at FYE08 the bank's top 20 depositors accounted for 16.4% of total deposits (FYE07: 9.9%). USD denominated customer deposits made up 7% of total customer deposits at FYE08. At FYE07, 47% of the bank's deposits were on demand and were more than covered by the bank's liquid assets (see *Liquidity*).

At FYE08, the 81% increase in interbank deposits to NGN155.1bn mainly resulted from reliance on interbank funding at FBN UK — at FYE08 78% of FBN UK's deposits were from banks, of which 81% was maturing within three months. Most of FBN UK's lending is to other banks, including to its parent, FBN.

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

Liquidity

FBN's liquidity indicators tightened during FY08 as customer deposit growth was outpaced by rapid growth in loans and advances, fuelled by the bank's increased equity base. This caused the bank's Fitch-calculated loan/deposit ratio to increase to 54.9% at FYE08 from 32.3% at FYE07. At the same time, FBN had a large liquidity portfolio consisting of cash (NGN89.1bn), interbank placements (NGN527.9bn) and realisable investments in government securities (NGN263.2bn). Deducting interbank borrowings and NGN69.0bn proceeds of public offers and private placements for which FBN acted as receiving agent (only invested in immediately redeemable assets), this liquidity portfolio represented 94% of customer deposits at FYE08.

Capital

FBN reported a group Tier 1 capital ratio of 39.2% at FYE08, up from 17.4% at FYE07 as a result of the proceeds of a rights and public offering of NGN250bn during May 2007. However, internal capital generation is limited due to a relatively high pay-out ratio, equivalent to 65% of group net income at FYE08 (FYE07: 56%).

Rapid growth in risk weighted assets since FYE08 caused FBN's group Tier 1 capital ratio to decline to 25.1% at H109. However, Fitch notes that this ratio would have been slightly higher if certain loans to commercial banks at H109 had been classified within interbank placements and risk weighted at 20%, rather than their inclusion in loans and advances where they were risk weighted at 100%. While Fitch views FBN's Tier 1 capital ratio at H109 to be acceptable, the agency notes that the bank's capital adequacy will be significantly eroded if there is a continuation of rapid growth in risk-weighted assets. FBN has indicated that it has a minimum Tier 1 capital adequacy ratio of 16%.

Balance Sheet Analysis

FIRST BANK OF NIGERIA (C.)

	31 Mar 2008				31 Mar 2007		31 Mar 2006		31 Mar 2005	
	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 Restated	As % of Assets Restated	Year End NGNbn Original	As % of Assets Original
A. LOANS										
1. Secured Loans	3,717.9	438.6	28.72	326.5	214.4	23.52	170.2	27.60	118.2	25.10
2. Other Loans	195.4	23.0	1.51	14.4	5.7	0.62	4.1	0.66	3.9	0.83
3. Leased Assets	87.3	10.3	0.67	6.7	3.0	0.33	1.7	0.28	1.3	0.27
4. Impaired Loans	62.1	7.3	0.48	6.2	5.0	0.55	17.3	2.81	39.6	8.40
5. (Loan Loss Reserves)	81.7	9.6	0.63	8.4	7.1	0.78	14.4	2.33	37.9	8.06
TOTAL A	**3,981.0**	**469.7**	**30.75**	**345.4**	**221.0**	**24.25**	**179.0**	**29.02**	**125.0**	**26.55**
B. OTHER EARNING ASSETS										
1. Deposits with Banks	4,474.6	527.9	34.56	396.2	264.4	29.01	169.6	27.49	129.3	27.46
2. Realisable Securities	1,251.8	147.7	9.67	153.8	159.8	17.54	153.4	24.86	117.0	24.84
3. Other Investments	1,858.0	219.2	14.35	187.2	155.1	17.02	15.8	2.56	10.3	2.19
TOTAL B	**7,584.3**	**894.8**	**58.58**	**737.1**	**579.3**	**63.56**	**338.8**	**54.92**	**256.6**	**54.49**
C. TOTAL EARNING ASSETS (A+B)	**11,565.3**	**1,364.5**	**89.32**	**1,082.4**	**800.4**	**87.82**	**517.8**	**83.94**	**381.6**	**81.04**
D. FIXED ASSETS	**254.6**	**30.0**	**1.97**	**23.8**	**17.5**	**1.93**	**14.2**	**2.31**	**12.7**	**2.69**
E. NON-EARNING ASSETS										
1. Cash and Due from Banks	755.5	89.1	5.83	75.5	61.8	6.79	51.0	8.27	32.9	6.98
2. Other	372.3	43.9	2.88	37.8	31.7	3.47	33.8	5.49	43.7	9.28
F. TOTAL ASSETS	**12,947.7**	**1,527.5**	**100.00**	**1,219.5**	**911.4**	**100.00**	**616.8**	**100.00**	**470.8**	**100.00**
G. DEPOSITS AND MONEY MARKET FUNDING										
1. Customer Deposits	5,935.0	700.2	45.84	649.9	599.7	65.80	448.9	72.78	331.8	70.47
2. Inter-bank Deposits	1,314.7	155.1	10.15	120.4	85.7	9.40	28.9	4.68	19.5	4.15
3. Other	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
TOTAL G	**7,249.7**	**855.3**	**55.99**	**770.3**	**685.4**	**75.20**	**477.8**	**77.46**	**351.3**	**74.62**
H. OTHER FUNDING										
1. Subordinated Debt	n.a.	n.a.	-	n.a.	n.a.	-	n.a.	-	n.a.	-
2. Other Long-term Borrowing	249.3	29.4	1.93	25.8	22.1	2.42	0.0	0.00	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)	**2,434.3**	**287.2**	**18.80**	**203.8**	**120.3**	**13.20**	**74.8**	**12.12**	**69.7**	**14.81**
L. EQUITY	**3,014.4**	**355.6**	**23.28**	**219.6**	**83.6**	**9.18**	**64.3**	**10.42**	**49.8**	**10.58**
M. TOTAL LIABILITIES & EQUITY	**12,947.7**	**1,527.5**	**100.00**	**1,219.5**	**911.4**	**100.00**	**616.8**	**100.00**	**470.8**	**100.00**
Exchange Rate		USD1 = NGN 117.9780			USD1 = NGN 128.0600		USD1 = NGN 128.5200		USD1 = NGN 132.3500	

Income Statement Analysis
FIRST BANK OF NIGERIA (C.)

	31 Mar 2008		31 Mar 2007		31 Mar 2006		31 Mar 2005	
	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 Restated	As % of Total AV Earning Assts Restated	Income Expenses NGNbn Original	As % of Total AV Earning Assts Original
1. Interest Income	116.7	10.78	62.6	9.50	40.7	9.06	36.5	10.24
2. Interest Expense	33.8	3.12	18.4	2.79	10.0	2.23	8.6	2.40
3. NET INTEREST REVENUE	**82.9**	**7.66**	**44.2**	**6.71**	**30.7**	**6.83**	**27.9**	**7.84**
4. Net Fees and Commissions	28.4	2.62	21.1	3.20	18.8	4.17	12.9	3.62
5. Other Operating Income	10.2	0.94	7.5	1.14	7.9	1.77	7.9	2.22
6. Personnel Expenses	33.4	3.08	19.9	3.02	15.3	3.41	12.8	3.58
7. Other Operating Expenses	34.8	3.22	25.0	3.80	19.9	4.43	16.7	4.69
8. Loan Loss Provisions	6.1	0.56	2.0	0.31	4.0	0.89	2.4	0.68
9. OPERATING PROFIT	**47.2**	**4.36**	**25.9**	**3.92**	**18.1**	**4.03**	**16.8**	**4.72**
10. Other Income and Expenses	0.0	0.00	0.0	0.00	-2.0	-0.44	n.a.	-
11. PROFIT BEFORE EXCEPTIONAL ITEMS	**47.2**	**4.36**	**25.9**	**3.92**	**16.1**	**3.59**	**16.8**	**4.72**
12. Exceptional Items	0.0	0.00	-2.0	-0.30	3.7	0.82	n.a.	-
13. PRE-TAX PROFIT	**47.2**	**4.36**	**23.9**	**3.62**	**19.8**	**4.41**	**16.8**	**4.72**
14. Taxes	10.7	0.99	5.2	0.79	4.5	0.99	3.6	1.00
15. PUBLISHED NET INCOME INCLUDING MINORITIES	**36.5**	**3.38**	**18.7**	**2.83**	**15.4**	**3.42**	**13.2**	**3.72**
17. Memo: FITCH NET INCOME	36.5	3.38	18.7	2.83	15.4	3.42	13.2	3.72

Ratio Analysis
FIRST BANK OF NIGERIA (C.)

		31 Mar 2008 Original	31 Mar 2007 Restated	31 Mar 2006 Restated	31 Mar 2005 Original
I. PROFITABILITY LEVEL					
1. Pre-tax Profit/Total Assets (av.)	%	3.87	3.12	3.65	3.93
2. Net Income/Equity (av.)	%	16.61	25.21	27.02	28.77
3. Net Income/Total Assets (av.)	%	3.00	2.44	2.83	3.09
4. Non-int. Exp./Net Interest Rev. + Other Operating Income	%	56.12	61.71	61.47	60.49
5. Net Interest Rev./Total Assets (av.)	%	6.80	5.79	5.64	6.52
II. CAPITAL ADEQUACY (year end)					
1 Internal Capital Generation	%	5.77	11.05	17.81	15.00
2. Equity/Total Assets	%	23.28	9.18	10.42	10.58
3. Equity/Loans	%	75.72	37.83	35.91	39.84
4. Capital/Risks - Tier 1	%	39.24	17.39	18.89	18.40
5. Capital/Risks - Total	%	42.30	22.73	19.69	19.40
III. LIQUIDITY (year end)					
1. Liquid Assets/Deposits and Money Market Funding	%	89.41	70.92	78.27	79.44
2. Loans/Deposits and Money Market Funding	%	54.91	32.25	37.47	35.59
IV. ASSET QUALITY					
1. Net Charge-offs/Loans (av.)	%	n.a.	n.a.	n.a.	n.a.
2. Provision for Loan Losses/Loans Gross (av.)	%	1.73	0.96	2.24	1.67
3. Provision for Loan Losses/Profit before Provisions and Taxes	%	11.45	7.81	16.72	12.64
4. Loan Loss Reserves/Loans Gross	%	2.01	3.11	7.43	23.28
5. Impaired Loans Gross/Loans Gross	%	1.53	2.20	8.97	24.28
6. Loan Loss Reserves/Impaired Loans Gross	%	131.54	141.30	82.84	95.88
7. Impaired Loans Net/Equity	%	-0.65	-2.48	4.63	3.27