



First Bank of Nigeria Plc

Unaudited group results for the nine month period ended 30 September 2010

FIRST BANK OF NIGERIA PLC REPORTS N40.7 BILLION IN PROFIT BEFORE TAX FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

First Bank of Nigeria Plc (Bloomberg: FBN NL) (“FirstBank” or the “Company”), the most diversified financial services group in Nigeria with international presence in London, Paris, Johannesburg and Beijing announces its unaudited results for the nine month period ended 30 September 2010, summarised as follows:

Total Assets of N2.4 trillion; Gross Earnings of N177.1billion; Profit Before Tax of N40.7 billion

Commenting on the results, Bisi Onasanya, Group Managing Director of FirstBank, said: *“FirstBank has continued to make excellent progress in driving profitability supported by increased inflows of long term low cost deposits as the bank delights its existing customers and attracts new customers through continued efforts to position itself as the bank of first choice. Our unique brand, and the strength of our balance sheet, continue to give us the flexibility to maximise market opportunities and play a major role in financing key strategic sectors of the economy. In spite of the tough lending environment, we were able to grow our loan book across different sectors, supported by our robust risk management policies. As a result, we are well positioned to increase our market share and profitability in coming periods as we further deploy our balance sheet towards higher yielding assets. Against this backdrop of continued growth and strong performance, we will sustain our drive to focus on treating all our clients and customers with market leading levels of service and efficiency and remain confident that our transformation agenda will ensure we are well placed to meet future challenges.”*

Group Financial Highlights

Profit & Loss

- Gross Earnings of ~~N~~177.1billion, a decrease of 11% compared with equivalent period in 2009 (~~N~~197.9 billion Sept 2009)
- Profit Before Tax of ~~N~~40.7 billion, (loss of ~~N~~6.6 billion Sept 2009)
- Profit After Tax of ~~N~~32.5 billion (loss of ~~N~~8.0 billion Sept 2009)

- Operating Income of ₦130.3 billion, a decrease of 5% (₦137.6 billion Sept 2009)
- Operating Expenditure of ₦83.9 billion (₦71.3 billion Sept 2009)
- Cost/income ratio at 64.4% (63% June 2010)
- Annualised after-tax return on average equity of 14.1% (1.2% September 2009)

Balance Sheet

- Total Assets of ₦2.4 trillion, an increase of 20% year on year (₦2.0 trillion Sept 2009) and an increase of 7% quarter on quarter (₦2.3 trillion June 2010)
- Net Loans & Advances¹ of ₦1.1 trillion, an increase of 32% year on year (₦868.0 billion Sept 2009) and an increase of 5% quarter on quarter (₦1.09 trillion June 2010)
- Customer Deposits of ₦1.6 trillion, an increase of 29% year on year (₦1.2 trillion Sept 2009) and an increase of 9% quarter on quarter (₦1.4 trillion June 2010)
- Low cost deposits now constitute 84% of total deposits
- Shareholders' Funds remain flat at ₦310 billion (₦310.0 billion Sept 2009)

Risk and Regulatory Ratios

- Net loan-to-deposit ratio of 74.1% (72.5% Sept 2009 and 76.7% June 2010)
- Non-performing loan ratio of 5.8% (8.1% Sept 2009 and 5.8% June 2010)
- Coverage ratio of 71.5% (72.3% Sept 2009 and 70.1% June 2010)
- Capital adequacy ratio of 17.0% (22.4% Sept 2009 and 18.0% June 2010)
- Liquidity ratio of 64.7% (78.7% Sept 2009 and 63.5% June 2010)

Sustained growth achieved across all major business lines

Retail and Corporate Banking profit before tax of ₦36.8 billion up 141% year-on-year (₦15.2 billion September, 2009). Commenting on performance, Mr. Kehinde Lawanson, Executive Director, West said: *“in the third quarter, there has been some recovery in lending activity, with sustained inflow of lower cost deposits. Continued investment in process automation and a more productive staff force have started to pay off. In the short term, whilst these investments have resulted in one-off rises in operating expenses, they are already yielding lasting improvements in the speed and efficiency with which the bank processes customer transactions, which will ultimately have a positive effect on operating margins. I am delighted that these new efficiencies are already allowing the bank to reap the benefits of its scale, leverage its branch network to deliver improving top line revenue growth and most importantly significant profit growth for the group”.*

¹ all references to loans and advances includes finance leases

Investment and Capital Markets profit before tax of ₦3.0 billion up 173% year-on-year (₦1.1 billion Sept 2009). The operating environment favoured the issuance of fixed income securities which led to the completion of a number of bond transactions. The anticipated rise in the Central Bank of Nigeria's policy rate, as it tries to moderate mounting inflation pressures, stabilize the exchange rate and stem the depletion of foreign reserves, is expected to provide an added incentive to front load bond issuance by both corporate and sub-national governments. This will support advisory fees going forward.

Operational Highlights

- Design and implementation of a new branch operations structure to increase efficiency, and reduce bottlenecks impacting service delivery
- Over 100% growth in customer assistance call centre volume over Q3 driven by addition of new services
- Steady increase in sign-up and utilization of internet banking
- Expansion of the Centralised Processing Centre to 50 branches
- Deployment of automated cheque confirmation solution across the branch network and provision of multiple options for customers to confirm their cheques (online banking with a token, Firstcontact, relationship managers, and the branch)
- Improved turnaround time on account opening – 65% reduction in previous cycle time; now takes approximately 10 minutes for a customer to open an account.
- 70% reduction in salary processing time – enabling reduction in significant queues in most branches during salary periods.
- Deployment of a free 'helpline' that connects directly to the contact centre creating increased awareness of FBN products & services
- ATM improvements and rebranding has resulted in transaction volumes rising by 50% over Q3.
- Pioneer attainment in Nigeria of the distinguished ISO 27001 certification for Document Management Unit by the British Standard Institute, thus enhancing the confidentiality of our customers' information.

Conference call invitation

The Senior Management of First Bank of Nigeria Plc (Bloomberg: FIRSTBAN NL / Reuters: FBNP.LG) ("FirstBank" or "the Group") will host a teleconference call for analysts and investors on Thursday 04 November 2010 at 3pm Lagos (2pm London / 10am New York / 4pm Johannesburg). There will be an opportunity at the end of the call for management to take questions from investors and analysts.

The teleconference call facility can be accessed by dialling:

+44 (0)20 7136 2054 **in the UK / International**

+1 212 444 0895 **in the US**

+27 11 019 7014 **in South Africa**

Those dialling in from **Lagos** should use the UK / International dial in number

And then entering the following confirmation code:

4450978

Participants should register for the call at least five minutes before the start of the presentation.

For those who are unable to listen to the live call, a recording and transcript will be posted onto the company's website as soon as possible the following day.

The presentation will be posted to First Bank of Nigeria Plc website 24 hours before the conference call at www.firstbanknigeria.com. Go to ('Investor Relations', 'Financial Documents')

For further information please contact:

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- Notes to Editors -

Established over 116 years ago in Nigeria, FirstBank's increasing globalisation has seen it set up a branch in London in 1982, which became FBN Bank (UK) Limited, Nigeria's first full-fledged subsidiary bank in the United Kingdom in 2002. Furthermore, FBN Bank (UK) opened a branch in Paris in 2008, driving FirstBank's financial services to other parts of Europe. FirstBank has registered its presence in South Africa, through FirstBank South Africa Representative Office established in 2004, which is contributing in promoting excellent business relationships among African companies, especially the Nigerian-South African business community. In 2009, as part of its international expansion plans, FirstBank opened its China representative office. Over its multi-generational history, FirstBank has continued to adapt and innovate to meet the different challenges and opportunities presented by different generations of customers, competitors and other stakeholders, assuring not only its longevity but also market leadership.