STANDARD & POOR'S

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First Bank of Nigeria PLC

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First Bank of Nigeria PLC

Major Rating Factors

Counterparty Credit Rating
B+/Negative/B
Nigeria National Scale *ngA/--/ngA-1*

Strengths:

- Leading banking franchise in Nigeria.
- Stable funding.
- Large amount of liquid assets.

Weaknesses:

- Weakened asset quality and moderate provisions.
- Barely adequate capitalization.
- High economic and industry risks associated with operating in Nigeria, resulting in structurally high exposure to credit and operational risks.

Rationale

The ratings on First Bank of Nigeria PLC (First Bank) are constrained by the bank's weakened asset quality and barely adequate capitalization, which paired with only moderate provisioning on problem loans reduces the loss-absorption capacity. The high economic and industry risks associated with operating in the Federal Republic of Nigeria (B+/Stable/B) also constrain the ratings. The ratings on First Bank are supported by its leading and long-standing domestic banking franchise, which has resulted in a large stable deposit base that accounts for 82% of total funds as of June 30, 2010. Positively, First Bank has also opted to keep credit leverage low and hold a large amount of liquid assets on its balance sheet, which benefits the liquidity profile of the institution.

Although of high systemic importance, the ratings on First Bank reflect its stand-alone credit profile, and do not incorporate any uplift for potential extraordinary support from the government. This reflects Standard & Poor's Ratings Services' view that extraordinary support from the Nigerian government is uncertain in light of the country's fragile political institutions.

With total adjusted assets of Nigerian naira (NGN) 2.26 trillion ($14.9 billion at $1 to NGN152) at June 30, 2010, First Bank is the largest and oldest bank in Nigeria, and benefits from a strong retail market position including good brand recognition, a wide branch network, and strong customer loyalty among its five million retail clients. This has afforded the bank with a leading deposit franchise.

Deposit growth recorded in 2009 was strong at 15%, in part benefiting from the fact that First Bank was one of the first five banks to successfully pass the Central Bank of Nigeria's (CBN) 2009 audit. Despite a short-term balance sheet, liquidity is considered to be a key rating strength for the bank; liquid assets (including cash, securities, and treasury bills) accounted for 55% of total assets and 72% of total deposits at June 30, 2010. The bank's loan-to-deposit ratio was 60% at the same date.

First Bank's asset quality indicators deteriorated quickly in 2009, largely due to exposures in the capital market and domestic real estate, before showing signs of stabilizing in the first half of 2010. Nonperforming loans (NPLs; defined as loans over 90-days overdue and restructured loans to total gross loans excluding money market lines) accounting for 11.12% at Dec. 31, 2009, dropped to around 10% at June 30, 2010--albeit due to strong write-offs

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in the second quarter of 2010. The quick increase in problem loans and the write-off of bad debt against reserves has brought down the loan-loss reserve coverage of the NPL stock (not including restructured lending) to around 70% at June 30, 2010. While First Bank still meets the statutory minimum for problem loan coverage, the moderated provisioning levels limits its capacity to absorb unexpected credit shocks and increases capital vulnerability.

Capitalization has reduced to barely adequate levels. Adjusted total equity (ATE) to adjusted assets stood at 13.54% at June 30, 2010, which compares poorly with top-rated Nigerian financial institutions, and is further constrained by only moderate coverage of problem loans by reserves and somewhat high lending concentrations. Capital has been reduced by weakened financial performance, asset quality deterioration including provisioning requirements, and through the aggressive payout of dividends in mid 2009, equal to twice the amount of First Bank's earnings. Going forward, any strategic move that threatens capital ratios, including rapid loan growth or large-scale acquisitions, without increasing capital levels could pressurize the ratings on the bank.

Outlook

The negative outlook reflects our opinion that First Bank's capitalization has reached barely adequate levels and continues to be pressurized by asset quality deterioration and moderate provisioning. Maintaining adequate capital levels is an important ratings factor for the bank, especially given the bank's high-risk operating environment and somewhat high lending concentrations. Consequently, any further deterioration of capitalization, including through rapid franchise and loan growth or large-scale acquisitions, could lead us to lower the ratings on the bank. An outlook revision to stable would require an easing of pressure on asset quality and improved coverage by reserves, stabilized capitalization, and a recovery in profitability.

Profile

First Bank is the last of the old generation banks operating in the Nigerian banking sector. The bank was incorporated as the Bank of British West Africa in 1894. In our opinion, its current solid market position is partly the result of its longevity operating in a country of intrinsically high operating risks. More tangibly, the franchise benefits from five million retail customers (consumer and small and midsize enterprise) and is one of the largest branch networks in Nigeria, with 610 branches and over 1,300 ATMs at March 31, 2010. In our opinion, First Bank has an excellent retail franchise. This was witnessed recently during the 2009 banking sector turbulence when the bank benefited from strong deposit inflows throughout a period of tightened liquidity. This partly reflects the fact that First Bank was one of the first five banks to successfully pass the CBN's audit in August 2009. In contrast to the strong retail franchise, the corporate banking franchise has in our opinion been somewhat overshadowed by new peers. However, although First Bank's business mix is limited it does compare well with domestic peers. At Dec. 31, 2009, the retail and middle tier corporate sector contributed 49% of deposits and 35% of loans. The top tier corporate sector contributed 40% of deposits and 55% of loans, and the public sector contributed 10% in both deposits and loans. In our opinion, business diversification for all Nigerian banks is restrained by the country's narrow oil and gas dominated economy and low wealth levels--restraining retail banking opportunities.

Further diversification is provided by First Bank's subsidiaries, which have been good drivers of alternative revenues in the past five years, but are also sources of risk. Revenues have largely been driven by FBN Capital and FBN U.K. The latter offers the only real geographic diversification for the group, as First Bank was slower to enter other West

African banking markets than its rated peers.

Support And Ownership: High Systemically Important Bank, But Timely Support Is Not Guaranteed In The Nigerian Banking Sector

The ratings reflect the bank's stand-alone creditworthiness and do not include any uplift for extraordinary external support. While Standard & Poor's considers the bank to be of high systemic importance, with an approximate 15%-20% deposit market share, we do not factor the probability of Nigerian government support into the ratings. This policy is in line with our criteria classifying Nigeria as "support uncertain". Although Standard & Poor's views the recent actions by the CBN's Governor Sanusi Lamido Sanusi as positively interventionist, the ongoing consistent government support of the banking sector cannot be assured in a country with weak political institutions.

First Bank's ownership is well diversified with more than 1.3 million shareholders, and no shareholder holds more than a 5% stake. The largest shareholding is held by the staff pension fund, which holds 3.35%. First Bank's share price has more than halved from its peak value in March 2008, as a result of the turbulent Nigerian Stock Exchange (NSE). At March 31, 2010, the bank's market capitalization was NGN410 billion or 132.50% of tangible common equity.

Strategy: Ambitious Plans Ahead

Like its many domestic peers, First Bank spent the post consolidation years managing very rapid organic domestic growth and then a period of severe deterioration in the capital markets and turbulence in the local economy in 2009. In 2010, the bank, having successfully passed the CBN audits, is looking at new opportunities to meet its target to become the leader in the Nigerian financial services industry while targeting a return on assets of 2.5% and equity of 25%.

Strategies are threefold. First, pending regulatory clarity on the requirements of the CBN for Universal Banks, the bank will undergo some large organizational restructuring in 2010. As a result, First Bank's subsidiaries will be moved from operating under the bank, to become sister companies all operating under a nonoperational holding company. The holding company will be the listed company. Internally, the bank is restructuring the business from geographic to segment focused business units to more effectively target customers and unify strategies across the segments. As part of the internal restructuring, the bank is focusing on controlling costs more tightly, through updating processes and implementing new technology.

In regards to organic growth, the bank plans to extend its already large branch network to capture excess liquidity in Nigeria. We expect another 100 branches to be rolled out in the next two years, which will place further strain on the bank's poor cost control unless the bank can improve the timescale it takes for a branch to become profitable. The bank will use this liquidity to increase the value share of high-end corporates in Nigeria. This move, if successful, is likely to change the lending mix toward the high-end sector by the end of 2010, sacrificing margin for counterparty creditworthiness and perhaps increasing lending concentrations. In 2010, lending is expected to increase about 10%-15%, down from the very high levels of 100% and more in the two previous annual periods.

The last strategic target is a possible acquisition with a recently "quasi-nationalized" Nigerian bank. Currently, there is no deal close to agreement, but the bank is an active part of the CBN's selection process. In our view, any merger would demonstrate a noticeable increase in First Bank's risk appetite, and would likely delay any plans to control costs and modernize processes and technology. Standard & Poor's would view the acquisition of any institution in Nigeria without very strong guarantees by the CBN and an increase in Tier 1 capitalization as a drain on creditworthiness. The ratings impact, although unlikely to be positive, will depend on the size, nature, and complexity of the acquisition.

Risk Management: Weak Asset Quality Is A Key Risk Factor

Weak asset quality and high lending concentrations are the key risks facing First Bank. Nonperforming assets accounted for around 10% at June 30, 2010, and were only moderately covered by provisions. Further weaknesses were found in the management of risk from the loss occurring from the capital guarantee investment product, which when marked-to-market created the need for NGN25 billion of provisions at March 31, 2009. Standard & Poor's still considers the corporate governance of First Bank to be among the best for Nigerian financial institutions.

Enterprise risk management

First Bank's enterprise risk management (ERM) is adequate. Our opinion balances the bank's relatively sound risk governance and embedded tools and procedures with an increase in risk appetite for acquisitions and branch expansion, which exacerbates high industry and economic risks. Risk governance compares well with Nigerian peers, with a well-incorporated, but separate, business unit and a dedicated board of directors overseeing all the risk functions of the bank. Above-average operational risks (including legal, political, fraud, and security risks) are unavoidable in Nigeria, but operational risk events are well understood, analyzed, and communicated internally. The volatility in asset quality indicators has highlighted some weaknesses in underwriting standards.

Credit risk: Poor asset quality and high lending concentrations raise credit risks

First Bank's asset quality indicators deteriorated quickly in 2009 largely due to exposures in the capital market and domestic real estate, before showing signs of stabilizing in the first half of 2010. NPLs (defined as loans over 90-days overdue and restructured loans to total gross loans excluding money market lines) accounted for 11.12% at Dec. 31, 2009, and dropped to around 10% at June 31, 2010. The slight improvement in asset quality indicators reflects a reduction in the 90-days overdue loan stock, due to a 5% write-off of bad loans (NGN28 billion) against loan loss reserves in the second quarter of 2010.

This movement was mitigated by the restructuring of 35% of the share-backed loan portfolio (NGN10 billion) during the same period. Positively, at June 30, 2010, exposure to share-backed collateralized lending had reduced to 2.9% of total loans and pure margin lending accounted for only 0.5%.

Furthermore collateral coverage for share-backed exposures was around 124% at June 30, 2010, and the domestic share prices are already at very low levels. Consequently, any further provisions for the share-backed lending facilities in 2010 are unlikely and this should translate into the stabilization and then improvement of asset quality indicators into 2011. Any further asset quality pressure could come from loans to the real estate sector, which already account for 20% of NPLs and the downstream oil and gas sector which account for 4% of NPLs. Given the volatility of the Nigerian naira, foreign currency loans also reflect a tangible risk to asset quality. At Dec. 31, 2009, 14% of lending was based in foreign currency (mostly U.S dollars), albeit restricted to U.S. dollar turnover companies.

The quick increase in problem loans and the write-off of bad debt against reserves has brought down the loan-loss reserve coverage of the NPL stock (not including restructured lending) to around 70% at June 30, 2010. While First

Bank still meets the statutory minimums for problem loan coverage, the moderated provisioning levels limits its capacity to absorb unexpected credit shocks and increases capital vulnerability.

Positively, credit leverage remains relatively low by international comparison as loans accounted for 39% of assets. However, it is important to note that the bank has further large credit exposures through the interbank placements, accounting for approximately 20% of total assets. These exposures are short-term state-guaranteed loans to financial institutions. Consequently, we have defined them as interbank placements.

First Bank's lending mix remains relatively well diversified for the Nigerian market. Top tier corporate (36%, excluding financial institution lending) and commercial (42%) customers dominate the loan book, but the bank has a relatively high proportion of retail lending (12% of loans) for the domestic market. Despite the diversification, the bank has relatively high concentrations in the oil and gas industry (18%), real estate and construction (12%), and general commerce (18%). Single-name concentrations are also relatively high; the top 20 bank's credit exposures (including interbank) accounted for 159% of ATE at Dec. 31, 2009. At the same date, the single-largest credit concentration to SeaWolf Oil Field Services accounted for 11% of total loans and 30% of ATE. Consequently, First Bank had to obtain a waiver by the CBN to exceed the single obligor limit. Positively, despite some initial problems, this credit, which is defined as a related party credit due to two people being directors of both entities, is now fully performing.

Market risk: Large Losses in capital market-linked fund

Trading is conducted at First Bank, but proprietary trading is fixed solely on government bonds and vanilla currency trading. FBN Capital traded more actively, although purely on a nonpropriety basis. First Trustees Nigeria Ltd. (not rated; a subsidiary of First Bank) were also exposed to the Nigerian Stock exchange through a capital guarantee investment product, which when marked-to-market created the need for NGN25 billion of provisions at March 31, 2009. Interest-rate risk is considered to be relatively low due to the short-term, quick review, nature of lending and the low interest-bearing deposits. The bank's interest margin is exposed to a lowering interest-rate environment for these reasons. The foreign currency open position is limited to 5% of shareholder funds by the CBN, although the bank rarely reaches this limit, due to a lack of local hedging instruments.

Funding and liquidity: Remains a key strength

First Bank is a very liquid bank and benefits from a strong stable funding base. The bank recorded 15.25% growth in the nine months leading to Dec. 31, 2009, despite Nigeria's economic slowdown, benefiting from a flight to quality by depositors after the CBN intervention. The diversification and concentration of depositors is good, with the top 20 deposits accounting for 25% of total deposits and benefiting from a large retail deposit base, which tends to be more stable and are largely low interest bearing funds, in our opinion. Funding is additionally diversified by $150 million in subordinated debt, which was raised in 2007 to increase the tenor of funding. Funding remains contractually short term, with 54% of total funds maturing within 30 days. This is largely balanced by the contractually short-term nature of lending. Despite a short-term balance sheet, liquidity is considered to be a key rating strength for the bank; liquid assets (including cash, securities, and treasury bills) accounted for 43.5% of total assets and 57.5% of total deposits at June 30, 2010. The bank's loan-to-deposit ratio was 60.6% at the same date.

Accounting

First Bank changed its audited year-end figures in 2009 to Dec. 31 from March 31. Therefore, year-end figures represent nine-month figures, growth rates are annualized. The accounts are audited by a local branch of Deliotte &

Touche under Nigerian GAAP, which is considered to be a weak accounting framework. First Bank's general transparency is considered to be good compared with other Nigerian banks.

Profitability: Financial Profile Deteriorated In 2009, But Is Now Improving

First Bank's financial performance was moderate despite the difficulties in the economic and financial sector, recording a return on risk-weighted assets of 0.29% at Dec. 31, 2009. Earnings were restrained by large credit and capital market linked provisions that accounted for 25% of 21 months of revenues up to Dec 31. 2009. However, the bank managed to be profitable by maintaining net interest income despite increased NPLs and a change in earning asset mix toward more liquid assets. This was accomplished by keeping interest margins relatively robust, reflecting the low cost of funds and high-interest rate lending.

In 2010, financial performance is improving, essentially from quicker recoveries than loan-loss provisions and the expanding net interest margin. At June 30, 2010, annualized core earnings improved to 2.81% average risk-weighted assets from 0.29% at Dec. 31, 2009. The continued improvement in First Bank's financial performance will reflect the bank's continuing ability to control operational and provisioning costs. Our base-case scenario is that recoveries will continue to mitigate only gentle further asset quality deterioration up to the end of 2010. In the long term, an expected change in lending mix for more creditworthy corporate customers should lower the cost of risk, while simultaneously decreasing interest income toward year end.

To mitigate the lowering margin on interest income, the bank is looking to lower its cost of funds by reducing the amount of term deposits in the funding mix in favor of low interest-bearing retail current-account deposits. This will be accomplished by leveraging and expanding its already large branch network to push down the cost of funds. The bank is also aiming for its branches to increase commission on turnover, and continue its trading income activity, by trading and interest on Nigerian government debt, to improve revenues in 2010.

High operating costs is also limiting the bank's bottom line. The bank's high cost-to-income ratio of 59% at Dec. 31, 2009, in comparison to top tier Nigerian banking peers; reflects its already large branch network and traditional banking systems. We expect the bank to focus more on cost control in the next couple of years. However, its ambitious branch expansion plans are unlikely to translate into a reduction in cost to income in the short term. In the first quarter of 2010, the bank has returned to previously strong levels of profit and given our view that asset quality will improve or at least stabilize and economic activity will pick up, we think this is likely to continue toward year end.

Table 1

First Bank of Nigeria PLC Profitability Ratios

		--Year-ended March 31--			
(%)	**2010***	**2009**	**2008**	**2007**	**2006**
Net interest income/average earning assets	N/A	6.9	7.9	8.0	6.8
Net interest income/revenues	67.2	73.7	74.3	71.0	64.0
Fee income/revenues	28.2	21.5	21.1	24.3	30.5
Market-sensitive income/revenues	2.3	4.2	2.5	0.8	2.5
Personnel expense/revenues	30.8	31.1	31.2	50.0	54.6
Noninterest expenses/revenues	64.1	60.0	54.5	58.4	65.0
New loan loss provisions/revenues	(1.1)	31.1	12.1	2.1	(2.4)

Table 1

First Bank of Nigeria PLC Profitability Ratios (cont.)					
Net operating income before loan loss provisions/loan loss provisions	N/A	N/A	N/A	N/A	N/A
Net operating income after loan loss provisions/revenues	37.0	8.9	33.4	39.5	37.4
Pretax profit/revenues	37.0	8.9	17.2	40.4	34.5
Tax/pretax profit	20.0	72.5	54.6	22.6	21.9
Core earnings/revenues	29.6	2.4	15.2	30.5	29.8
Core earnings/average adjusted assets	N/A	0.2	1.4	2.9	2.7
Noninterest expenses/average adjusted assets	N/A	5.0	5.0	5.6	5.9
Core earnings/average risk-weighted assets	2.7	0.3	2.4	6.5	4.6
Core earnings/average adjusted common equity	16.4	1.4	7.5	17.3	37.4
Pretax profit/average common equity (%)	N/A	4.8	8.5	21.5	32.3

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Capital: Vulnerabilities Arise From Asset Quality Deterioration And Potential Mergers And Acquisitions

With an ATE-to-adjusted assets ratio of 13.54% on June 30, 2010, the capitalization of First Bank is considered to be barely adequate for continued credit risk and growth strategy faced by the bank. At Dec. 31, 2009, the bank had a Standard & Poor's risk-adjusted capital score of 5.3%. Capitalization compares poorly to rated Nigerian peers and just adequately on an international basis. Given the higher-than-average risk exposure of Nigerian institutions, in our view, maintaining stronger than global capital ratios is an important ratings driver. In our opinion, the capital cushion of First Bank is further restrained by the moderated provisioning levels, with loan loss reserves to NPLs (not including restructured) of 70% at June, 30 2010.

Further, unexpectedly harsh, asset quality deterioration could quickly hamper the capital cushion in 2010. Capital is also hindered by somewhat high lending concentrations with the top 20 loans accounting for 159% of ATE at Dec. 31, 2009, and the top loan alone accounting for 30% of ATE.

Any strategic move that threatens the capital ratio, including rapid loan growth or large-scale acquisitions without increasing capital levels could lower the ratings on the bank. Furthermore, the ratings could be under pressure if the bank continues the aggressive dividend policy, which eroded reserves in mid 2009 during a period where capital was threatened by asset quality deterioration.

Table 2

First Bank of Nigeria PLC Risk-Adjusted Capital Data					
(Mil. NGN)	**Exposure***	**Basel II RWA**	**Average Basel II RW (%)**	**Standard & Poor's RWA**	**Average Standard & Poor's RW (%)**
Credit risk					
Government and central banks	337,711	0	0	385,446	114
Institutions	808,512	0	0	985,718	122
Corporate	1,545,926	0	0	2,660,895	172
Retail	77,995	0	0	111,305	143
Of which mortgage	0	0	0	0	0
Securitization	0	0	0	0	0

Table 2

First Bank of Nigeria PLC Risk-Adjusted Capital Data (cont.)

Other assets	105,070	0	0	157,605	150
Total credit risk	2,875,214	0	0	4,300,969	150
Market risk					
Equity in the banking book¶	16,280	0	0	163,422	1,004
Trading book market risk	--	0	--	0	--
Total market risk	--	0	--	163,422	--
Insurance risk					
Total insurance risk	--	--	--	0	--
Operational risk					
Total operational risk	--	0	--	283,429	--

(Mil. NGN)	Basel II RWA		Standard & Poor's RWA	% of Standard & Poor's RWA
Diversification adjustments				
RWA before diversification	0		4,747,821	100
Total adjustments to RWA	--		1,037,964	22
RWA after diversification	0		5,785,784	122

(Mil. NGN)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	Standard & Poor's RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	303,217	0.0	304,279	6.4
Capital ratio after adjustments§	303,217	0.0	304,279	5.3

*Exposure at default. ¶Exposure and Standard & Poor's risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. §Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. NGN--Nigerian naira . Sources: Company data as of June. 10, 2010, Standard & Poor's.

Table 3

First Bank of Nigeria PLC Capital Ratios

		--Year-ended March 31--			
(%)	2010*	2009	2008	2007	2006
Adjusted common equity/risk assets (%)	16.6	18.4	22.9	50.5	14.8
Tier 1 capital ratio	16.4	N/A	N/A	N/A	N/A
Adjusted total equity/adjusted assets	13.5	13.9	14.8	23.1	6.5
Adjusted total equity/managed assets	13.5	13.9	14.8	23.1	6.5
Adjusted total equity plus loan loss reserves (specific)/customer loans (gross)	39.5	42.4	42.4	75.6	29.3
Common dividend payout ratio	0.0	90.9	267.0	0.0	115.2

*Data as of June 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 4

First Bank of Nigeria PLC Summary Balance Sheet

		--Year-ended March 31--			
(Mil. NGN)	**2010***	**2009**	**2008**	**2007**	**2006**
Assets					
Cash and money market instruments	744,179.0	882,121.0	926,785.0	617,030.0	326,249.0
Securities	490,961.0	300,819.0	214,332.0	294,687.0	285,797.0
Trading securities (marked to market)	N/A	221,863.0	151,111.0	100,665.0	75,847.0
Nontrading securities	490,961.0	78,956.0	63,221.0	194,022.0	209,950.0
Mortgage-backed securities included above	0.0	0.0	0.0	0.0	0.0
Loans to banks (net)	0.0	0.0	0.0	0.0	0.0
Customer loans (gross)	889,851.0	858,160.0	756,608.0	479,304.0	228,127.0
Loan loss reserves	45,580.0	63,192.0	23,499.0	9,634.0	7,089.0
Customer loans (net)	844,271.0	794,968.0	733,109.0	469,670.0	221,038.0
Earning assets	2,107,170.0	1,970,768.0	1,757,322.0	1,301,891.0	778,329.0
Equity interests/participations (nonfinancial)	N/A	N/A	N/A	6,969.0	6,751.0
Investments in unconsolidated subsidiaries (financial companies)	2,224.0	3,248.0	4,394.0	431.0	124.0
Intangibles (nonservicing)	0.0	0.0	0.0	0.0	0.0
Interest-only strips	N/A	N/A	N/A	N/A	N/A
Fixed assets	52,674.0	47,980.0	39,695.0	32,184.0	17,734.0
Derivatives credit amount	N/A	N/A	N/A	N/A	N/A
Accrued receivables	40,027.0	26,549.0	18,967.0	13,618.0	9,290.0
All other assets	87,309.0	116,661.0	72,632.0	92,953.0	44,444.0
Total assets	2,261,645.0	2,172,346.0	2,009,914.0	1,527,542.0	911,427.0
Intangibles (nonservicing)	0.0	0.0	0.0	0.0	0.0
Minus insurance statutory funds	0.0	0.0	0.0	0.0	0.0
Adjusted assets	2,261,645.0	2,172,346.0	2,009,914.0	1,527,542.0	911,427.0
Liabilities					
Total deposits	1,712,148.0	1,512,422.0	1,364,866.0	855,306.0	685,353.0
Noncore deposits	243,996.0	173,280.0	170,410.0	155,109.0	85,664.0
Core/customer deposits	1,468,152.0	1,339,142.0	1,194,456.0	700,197.0	599,689.0
Acceptances	0.0	0.0	0.0	0.0	0.0
Repurchase agreements	N/A	N/A	N/A	N/A	N/A
Other borrowings	74,634.0	35,473.0	35,042.0	29,414.0	22,101.0
Other other borrowings	74,634.0	0.0	0.0	0.0	0.0
Other credit reserves	N/A	N/A	N/A	N/A	N/A
Other liabilities	166,478.0	314,893.0	272,601.0	287,188.0	120,346.0
Total liabilities	1,953,260.0	1,862,788.0	1,672,509.0	1,171,908.0	827,800.0
Total equity	308,385.0	309,558.0	337,405.0	355,634.0	83,627.0
Manditorily convertible securities	0.0	0.0	0.0	0.0	0.0
Limited life preferred and quasi equity	0.0	0.0	0.0	0.0	0.0
Enhanced trust preferred	0.0	0.0	0.0	0.0	0.0
Minority interest-equity	N/A	N/A	N/A	N/A	N/A
Common shareholders' equity (reported)	308,385.0	309,558.0	337,405.0	355,634.0	83,627.0

Table 4

First Bank of Nigeria PLC Summary Balance Sheet (cont.)					
Share capital and surplus	14,504.0	269,028.0	266,956.0	264,469.0	21,096.0
Revaluation reserve	N/A	2,379.0	2,379.0	2,379.0	2,379.0
Retained profits	N/A	549.0	30,648.0	30,426.0	14,968.0
Other equity	N/A	N/A	N/A	N/A	N/A
Total liabilities and equity	2,261,645.0	2,172,346.0	2,009,914.0	1,527,542.0	911,427.0

*Data as of June 30. NGN--NGN-Nigerian naira. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 5

First Bank of Nigeria PLC Equity Reconciliation Table

		--Year-ended March 31--			
(Mil. NGN)	**2010***	**2009**	**2008**	**2007**	**2006**
Common shareholders' equity (reported)	308,385.0	309,558.0	337,405.0	355,634.0	83,627.0
Plus minority interest (equity)	0.0	0.0	0.0	0.0	0.0
Minus dividends (not yet distributed)	0.0	(2,900.0)	(33,564.0)	0.0	(21,481.0)
Minus revaluation reserves	0.0	(2,379.0)	(2,379.0)	(2,379.0)	(2,379.0)
Minus nonservicing intangibles	0.0	0.0	0.0	0.0	0.0
Minus interest-only strips (net)	0.0	0.0	0.0	0.0	0.0
Minus tax loss carryforwards	0.0	0.0	0.0	0.0	0.0
Minus postretirement benefit adjustment	0.0	0.0	0.0	0.0	0.0
Minus other adjustments	0.0	0.0	0.0	0.0	0.0
Adjusted common equity	308,385.0	304,279.0	301,462.0	353,255.0	59,767.0
Plus admissible preferred and hybrids	0.0	0.0	0.0	0.0	0.0
Plus general reserves	0.0	0.0	0.0	0.0	0.0
Plus unrealized gains	0.0	0.0	0.0	0.0	0.0
Minus equity in unconsolidated subsidiaries	(2,224.0)	(3,248.0)	(4,394.0)	(431.0)	(124.0)
Minus capital of insurance subsidiaries	N/A	N/A	N/A	N/A	N/A
Minus adjustment for securitized assets	0.0	0.0	0.0	0.0	0.0
Adjusted total equity	306,161.0	301,031.0	297,068.0	352,824.0	59,643.0

*Data as of June 30. NGN--NGN-Nigerian naira. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 6

First Bank of Nigeria PLC Profit And Loss

		--Year-ended March 31--			
(Mil. NGN)	**2010***	**2009**	**2008**	**2007**	**2006**
Net interest income	57,495.0	96,157.0	119,680.0	82,930.0	44,222.0
Interest income	94,190.0	162,041.0	176,332.0	116,717.0	62,579.0
Interest expense	36,695.0	65,884.0	56,652.0	33,787.0	18,357.0
Operating noninterest income	28,092.0	34,391.0	41,298.0	33,824.0	24,890.0
Fees and commissions	24,119.0	28,064.0	33,980.0	28,382.0	21,074.0
Net brokerage commissions	0.0	0.0	0.0	0.0	0.0
Trading gains	1,951.0	4,128.0	2,949.0	952.0	1,755.0
Other market-sensitive income	N/A	1,316.0	1,007.0	N/A	0.0
Net insurance income	0.0	0.0	0.0	0.0	0.0

Table 6

First Bank of Nigeria PLC Profit And Loss (cont.)					
Equity in earnings of unconsolidated subsidiaries	N/A	24.0	0.0	0.0	0.0
Other noninterest income	2,022.0	859.0	3,362.0	4,490.0	2,061.0
Operating revenues	85,587.0	130,548.0	160,978.0	116,754.0	69,112.0
Noninterest expenses	54,855.0	78,339.0	87,740.0	68,187.0	44,931.0
Personnel expenses	26,368.0	40,604.0	50,203.0	58,374.0	37,753.0
Other general and administrative expense	24,391.0	37,735.0	37,537.0	5,161.0	3,608.0
Net operating income before loss provisions	30,732.0	52,209.0	73,238.0	48,567.0	24,181.0
Credit loss provisions (net new)	(955.0)	40,624.0	19,439.0	2,488.0	(1,664.0)
Net operating income after loss provisions	31,687.0	11,585.0	53,799.0	46,079.0	25,845.0
Nonrecurring/special income	0.0	0.0	0.0	1,135.0	9.0
Nonrecurring/special expense	0.0	0.0	26,113.0	0.0	0.0
Amortization of intangibles	0.0	0.0	0.0	0.0	1,984.0
Impairment of intangibles	0.0	0.0	0.0	0.0	0.0
Pretax profit	31,687.0	11,585.0	27,686.0	47,214.0	23,870.0
Tax expense/credit	6,337.0	8,396.0	15,117.0	10,674.0	5,218.0
Net income (before minority interest)	25,350.0	3,189.0	12,569.0	36,540.0	18,652.0
Minority interest in consolidated subsidiaries	N/A	N/A	N/A	N/A	N/A
Net income before extraordinaries	25,349.0	3,189.0	12,569.0	36,540.0	18,652.0
Net income after extraordinaries	25,349.0	3,189.0	12,569.0	36,540.0	18,652.0

*Data as of June 30. NGN--NGN-Nigerian naira. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 7

First Bank of Nigeria PLC Core Earnings Reconciliation Table					
		--Year-ended March 31--			
(Mil. NGN)	**2010***	**2009**	**2008**	**2007**	**2006**
Net income (before minority interest)	25,350.0	3,189.0	12,569.0	36,540.0	18,652.0
Minus nonrecurring/special income	0.0	0.0	0.0	(1,135.0)	(9.0)
Plus nonrecurring/special expense	0.0	0.0	26,113.0	0.0	0.0
Plus or minus tax impact of adjustments	0.0	0.0	(14,258.1)	256.6	2.0
Plus amortization/impairment of goodwill/intangibles	0.0	0.0	0.0	0.0	1,984.0
Minus preferred dividends	0.0	0.0	0.0	0.0	0.0
Plus or minus other earnings adjustments	0.0	0.0	0.0	0.0	0.0
Core earnings	25,350.0	3,189.0	24,423.9	35,661.6	20,629.0

*Data as of June 30. NGN--NGN-Nigerian naira. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Ratings Detail (As Of August 17, 2010)*	
First Bank of Nigeria PLC	
Counterparty Credit Rating	B+/Negative/B
Nigeria National Scale	ngA/--/ngA-1
Certificate Of Deposit	B+/B
Subordinated (1 Issue)	B-
Counterparty Credit Ratings History	
24-Aug-2009	B+/Negative/B

Ratings Detail (As Of August 17, 2010)***(cont.)**		
30-Mar-2009		BB-/Negative/B
14-Feb-2007		BB-/Stable/B
30-Mar-2009	*Nigeria National Scale*	ngA/--/ngA-1
30-Mar-2009		ngA+/--/ngA-1
Sovereign Rating		
Nigeria (Federal Republic of)		B+/Stable/B
Nigeria National Scale		ngA+/--/ngA-1
Related Entities		
FBN Capital Finance Co.		
Subordinated (1 Issue)		B-

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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