



- **Financial results presentation**

For the six months period ended 30 June 2014

# Contents

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- **Operating environment**
- **1H 2014 results analysis**
- **Business segment performance review**
- **2H 2014: Prospects and outlook**
- **Q & A**
- **Appendices**

This presentation is based on the consolidated financial statements of Stanbic IBTC Holdings PLC and its subsidiaries. All financial results in this presentation are presented on an International Financial Reporting Standards (IFRS) basis.



## Operating environment

Sola David-Borha

Chief executive, Stanbic IBTC Holdings

# Operating environment

## Domestic economy:

- The exchange rate was under significant pressure in the first quarter of 2014, causing a spike to about N165/\$1 due to huge outflow of funds from the economy by foreign investors. This led to a continuous decline in the foreign external reserves as the Central bank continues to manage the exchange rate;
- Sustained single digit inflation rate, though upside risks prevail; and
- Slow growth in the capital market as the market reacted to the uncertainty in the financial system. NSE ASI appreciated by 2.3% (1H 2013: 47.2%).

## Banking industry:

- Cashlite initiative - Suspension of charges on deposits leading to reduction in transaction fees;
- Continued tightening of monetary policy as CRR on private sector deposits was increased to 15% from 12%; and
- Spike in interbank call rate as the market reacted to the increase in CRR for private sector and the change in central bank leadership.

## External reserves and Inflation rate



## Exchange rate and average Interbank call rate

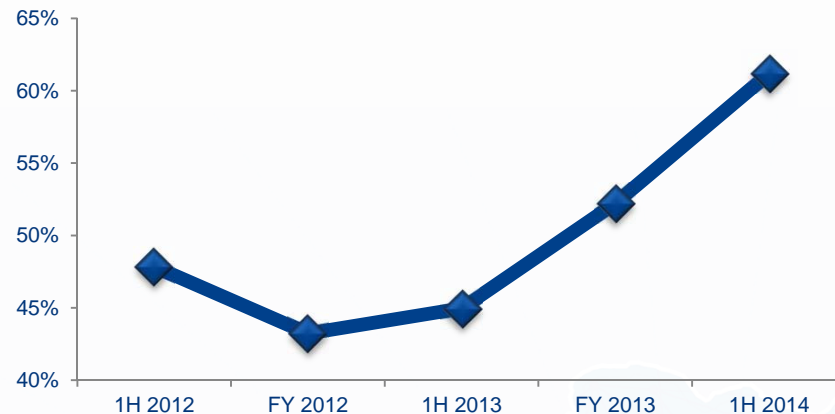


# Operating environment

## Results reflect the following:

- Significant progress by PBB which had the fastest income growth of all business units;
- Improving the deposit book mix between demand and term leading to declining cost of funds;
- Growth in transaction volumes and activities leading to increased fee and commissions revenue;
- Cost containment – continued disciplined cost focus
- Sustained growth in assets under management in the Wealth business despite the slow growth in the capital market;
- Growth in loan and deposit books on the back of increased number of customer and improved customer service delivery.
- Service transformation initiative within the bank; and
- Channel optimisation and improvement.

## Improvement in CASA ratio



## Growth in assets under management and RSAs





## 1H 2014 result analysis

Arthur Oginga

Chief financial officer

# 1H 2014: Performance highlights

## Increased profitability driven by balance sheet growth and management of margins

		<b>1H 2014</b>	<b>1H 2013</b>	<b>YoY change</b>
<b>Income statement</b>	Gross earnings	N61.5 billion	N54.5 billion	Up 13%
	Net interest income	N23.0 billion	N17.9 billion	Up 28%
	Non-interest revenue	N27.3 billion	N24.1 billion	Up 13%
	Total income	N50.3 billion	N42.0 billion	Up 20%
	Profit before tax	N19.6 billion	N13.1 billion	Up 49%
	Profit after tax	N15.9 billion	N10.2 billion	Up 56%
<b>Balance sheet</b>	Gross loans & advances	N356.9 billion	N303.3 billion	Change Up 18%
	Deposit liabilities	N511.8 billion	N416.4 billion	Up 23%
	Total assets	N906.8 billion	N763.0 billion	Up 19%
	Shareholders' funds	N109.6 billion	N94.3 billion	Up 16%

## 1H 2014: Performance highlights

Selected Key ratios		1H 2014	1H 2013
	Net interest margin	5.6%	5.5%
	Cost-to-income ratio	58.1%	63.1%
	Credit loss ratio	0.8%	1.6%
	Return on average equity	28.9%	21.3%
	Return on average assets	3.8%	2.7%
	NPLs/total loans	4.8%	4.6%
	Capital adequacy:		
	Group	19.8%	20.8%
	Bank	13.5%	15.4%
	Earnings per share	146 kobo	93 kobo
	Price- to-book	2.4x	1.7x



## Balance sheet analysis

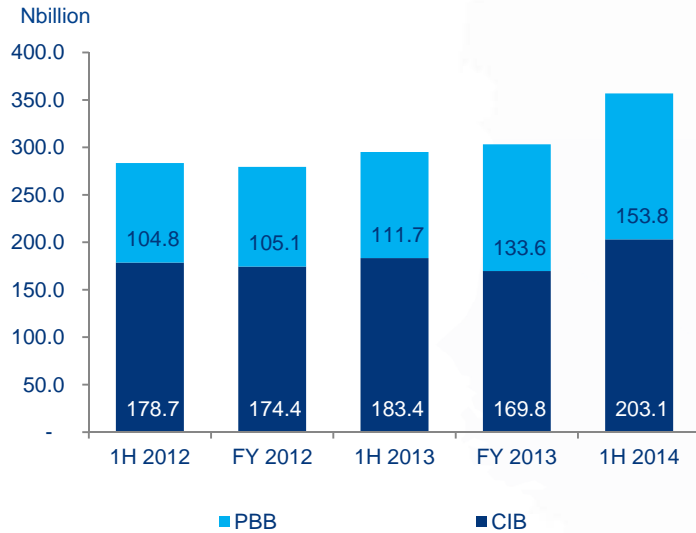
## Balance sheet reflecting steady progress

		1H 2014	FY 2013	1H 2013
Balance sheet	Gross loans & advances	356,910	303,306	295,125
	- PBB	153,828	133,550	111,734
	- CIB	203,082	169,756	183,391
	Customer deposits	511,763	416,352	370,020
	- PBB	200,106	197,898	180,578
	- CIB	311,657	218,454	189,442
Key ratios	Loan to deposit (%)	69.7	72.8	86.2
	Return on equity (%)	28.9	21.0	21.3
	Capital adequacy(%)	19.8	24.5	20.8

- PBB's loan book grew by 15% 1H 2014 from FY 2013, as the business continues to focus lending to SME's and small local corporates.
- CIB grew its loan book by 20% in the first six month of 2014, on the back of increased lending to businesses in the oil and gas, communications, manufacturing and construction sectors.
- PBB's deposit book increased marginally by 1%, due to a one-off reduction in public sector deposits.
- CIB's deposit book increased by 43% reflecting investments in our cash management capabilities and service improvement in transactional banking. Demand deposits accounted for 57% of the unit's deposit from customers.
- Return on equity continues to grow consistently as profit after tax increased by 56%

# Loans and advances

## Growth in loans and advances

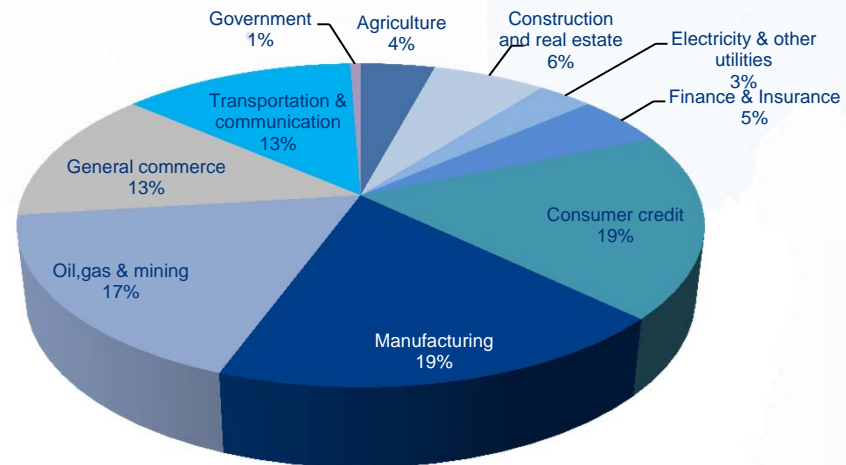


- Gross loans and advances grew by 18% to N356.9 billion in the first six months of 2014, from N303.3 billion recorded at end of 4Q 2013. The growth in loans and advances is driven by our continued focus on growing our SME and commercial clients in the PBB business segment and on growth in Oil & gas and Power sectors in our CIB segment.
- We will continue to grow our loan book responsibly by focusing on the right type of customers supported by our growing customer relationships and enhanced by our enlarged delivery channels.

## Loans and advances

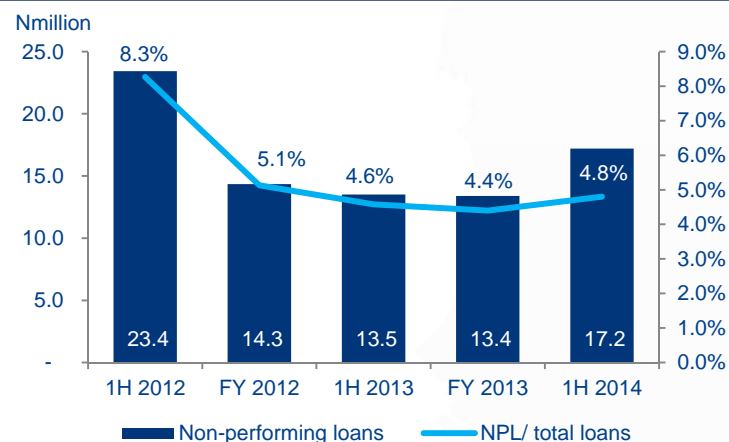
	FCY loans Nmillion	LCY loans Nmillion	Total loans Nmillion
<b>Personal &amp; Business Banking</b>	<b>7,319</b>	<b>146,509</b>	<b>153,829</b>
Mortgage	-	7,704	7,704
Instalment sale & finance leases	500	18,919	19,420
Overdrafts	414	22,921	23,335
Term loans	6,405	96,965	103,369
<b>Corporate &amp; Investment Banking</b>	<b>127,504</b>	<b>75,576</b>	<b>203,080</b>
Term loans	127,413	48,985	176,398
Overdrafts	91	18,649	18,740
Instalment sale and finance lease	-	7,942	7,942
<b>Total loans</b>	<b>134,823</b>	<b>222,085</b>	<b>356,909</b>

## Loans and advances by sector



# Loans and advances performance

## Non-performing loans and NPL ratio

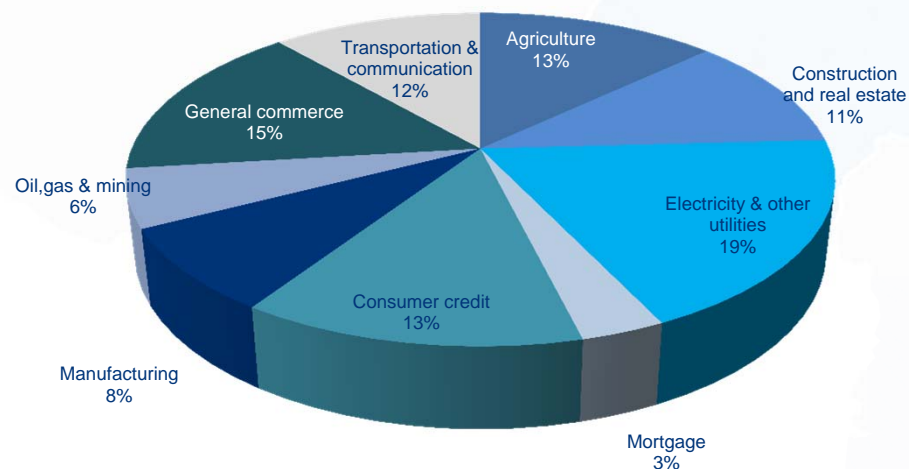


- Non-performing loans increased by 28% to N17.2 billion in the first six months of 2014 (FY 2013: N13.4 billion) mainly on account of a newly classified loan in CIB business. This resulted the ratio of non-performing loans (NPL) to total loans (TL) increasing to 4.8% from 4.4% recorded in FY 2013.
- PBB's non-performing loans increased by 7% to N10.7 billion from N10.0 billion in FY 2013 due to deterioration in quality of mortgage loan book and overdrafts. Despite the increase in non-performing loans, PBB's non-performing loans ratio improved to 6.9% from 7.5% recorded in FY 2013.
- CIB's non-performing loans increased significantly to N6.5 billion due to classification of term loan in 2Q 2014, worsening the NPL ratio to 3.2% from 2.0% in FY 2013.

## Non-performing loans by business unit

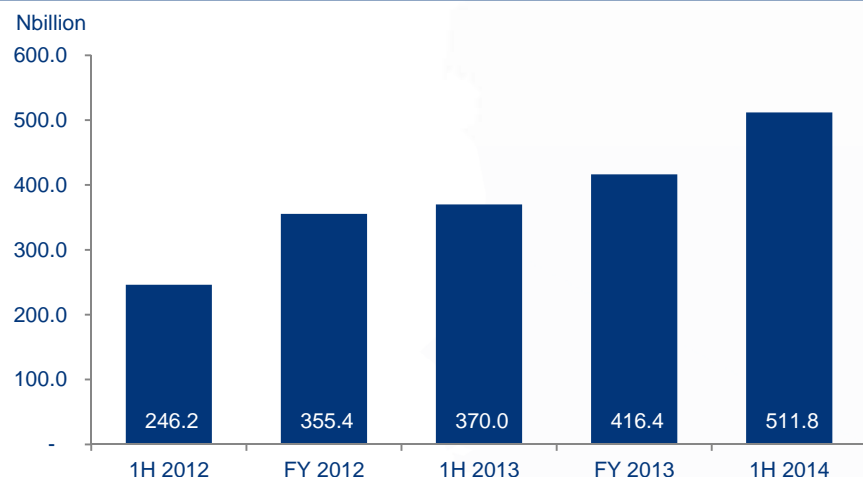
	PBB Nmillion	CIB Nmillion	Total Nmillion
Overdrafts	1,409	190	1,599
Term loans	6,340	6,024	12,364
Instalment sale and finance leases	2,348	284	2,631
Home loans	559	-	559
<b>Total loans and advances</b>	<b>10,656</b>	<b>6,498</b>	<b>17,154</b>

## Non-performing loans by sector

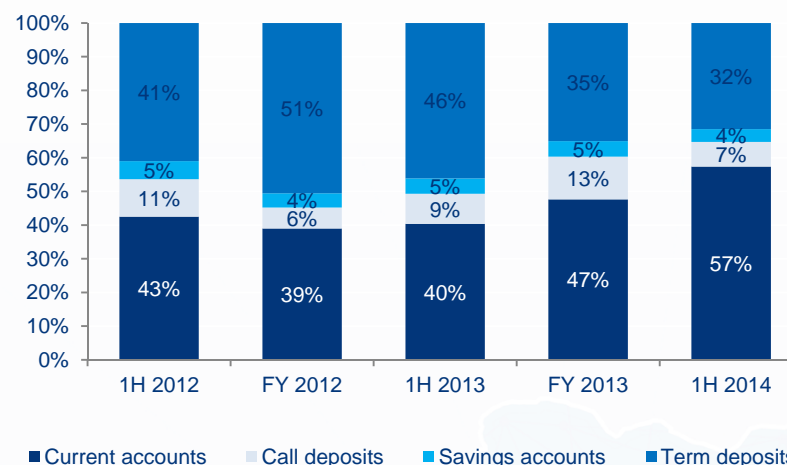


# Deposits from customers

## Growth in deposits from customers



## Deposit mix



- Deposits book increased by 23% to N511.8 billion from N416.4 billion in FY 2013, as a result of an increased customer base and efficient service delivery providing safe and reliable means of banking to our customers.
- Deposit mix continued to improve in 1H 2014 as the ratio of lower priced deposits to total deposit increased to 61% from 52% achieved in FY 2013. The continued focus to attract lower priced deposits is beginning to yield positive results as evidenced by declining cost of funds.
- PBB's deposit book increased marginally by 1% to N200.1 billion. This is due to a one-off reduction in public sector deposits.

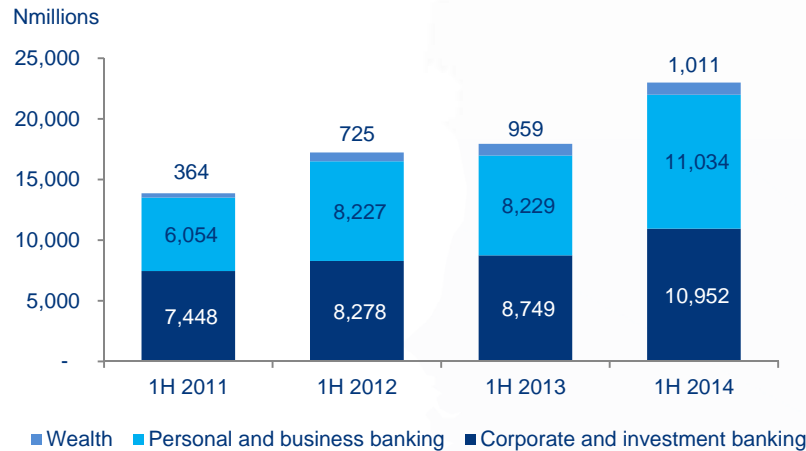
## Deposit from customers by business unit

	FCY deposits Nmillion	LCY deposits Nmillion	Total deposits Nmillion
<b>Personal &amp; Business Banking</b>	<b>22,901</b>	<b>177,205</b>	<b>200,106</b>
Current accounts	21,324	76,424	97,748
Savings deposits	-	19,469	19,469
Call deposits	116	6,321	6,437
Term deposits	1,461	74,991	76,452
<b>Corporate &amp; Investment Banking</b>	<b>90,883</b>	<b>220,774</b>	<b>311,657</b>
Current accounts	73,924	122,013	195,937
Call deposits	5,685	25,245	30,930
Term deposits	11,274	73,516	84,790
<b>Total deposits and current accounts</b>	<b>113,784</b>	<b>397,979</b>	<b>511,763</b>

# Income statement analysis

# Net interest income analysis

## Net interest income



- Net interest income was up 23% to N23.0 billion on the back of 12% growth in interest income and 11% decline in interest expense despite an increase in customer deposit.
- Growth in interest income resulted from an increase in loans and advances, higher holding of investment securities and increase in income from interbank placements.
- The decline in interest expense was as a result of an improvement in the deposit mix, with lower priced deposits accounting for 61% of total deposits.
- PBB and CIB contributed equally, at 48%, to net interest income as both businesses continue to focus on lowering cost of funds.

## Net interest margin

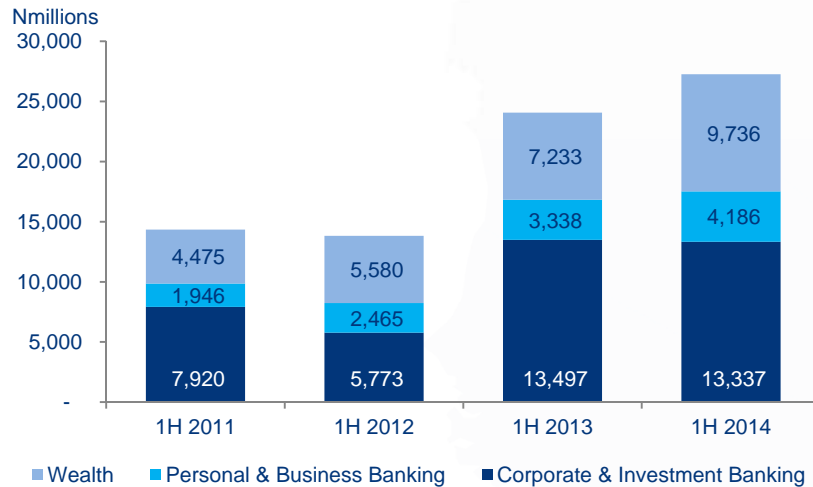


## Cost of funds

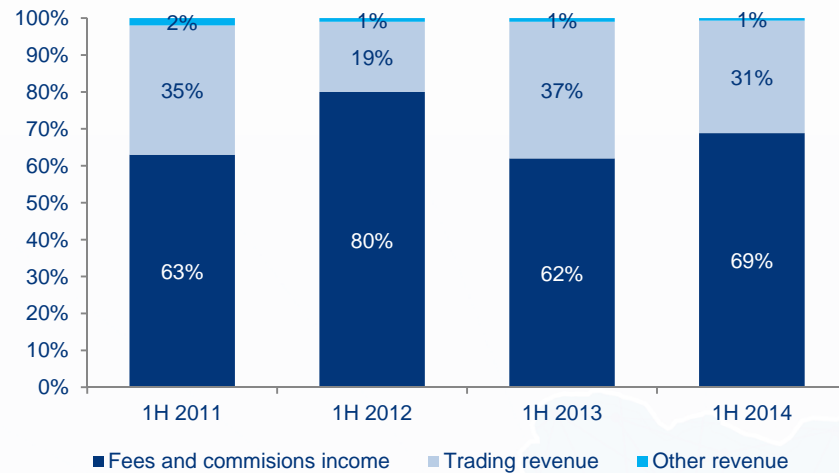


# Non-interest revenue analysis

## Non-interest revenue

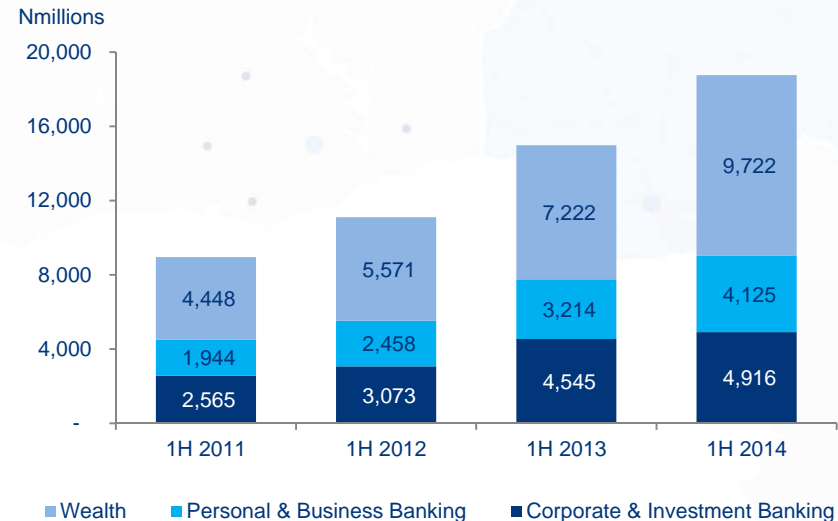


## Non-interest revenue mix



- Non-interest revenue increased by 13% to N27.3 billion as a result of a 25% increase in net fees and commissions benefitting from increased transactional volumes and activities as our customer base increases, growth in assets under management in our wealth business and execution of good deals, including a landmark transaction, within our investment banking business.
- The slow growth in the capital market impacted negatively on our stockbroking and custody businesses leading to reduction in revenue.
- Regulatory induced reduction in transaction fees muted the growth in net fees and commissions revenue.
- Trading revenue decline marginally as market conditions stabilised in Q2 2014.

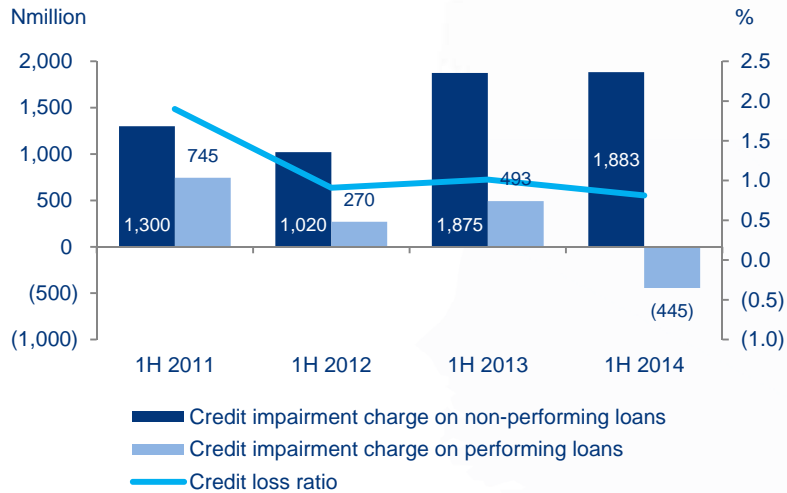
## Fees and commission





# Credit impairments and credit loss ratio

## Credit impairment charges and credit loss ratio

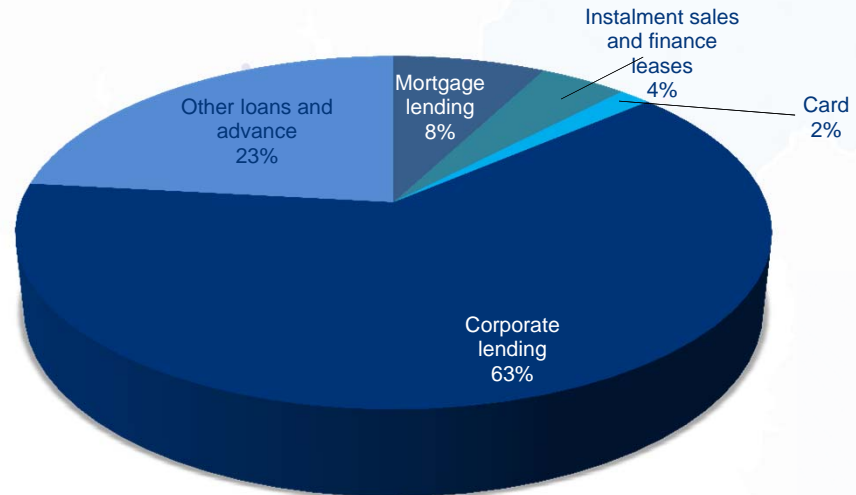


- Credit impairment charges declined 39% to N1.4 billion in 1H 2014 (1H 2013: N2.4 billion), due to the resolution of some previously classified loans and recoveries made on loans previously written off.
- Credit loss ratio consequently improved to 0.8% from 1.0% recorded in 1H 2013.

## Movement in credit impairment charges

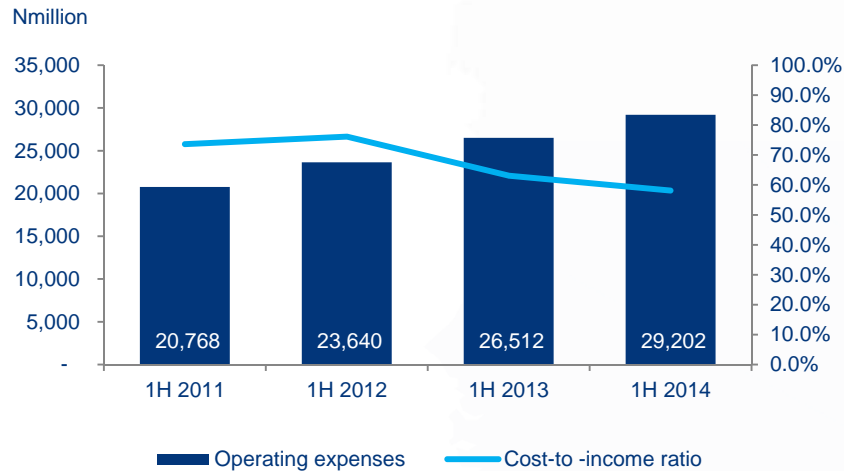
	change	1H 2014	1H 2013
	%	Nmillion	Nmillion
Specific credit impairment charges	10	2,365	2,144
Provision for performing loans	>(100)	(445)	493
Total impairment charges	(27)	1,920	2,637
Recoveries	79	(482)	(269)
<b>Credit impairment charges</b>	<b>(39)</b>	<b>1,438</b>	<b>2,368</b>

## Credit impairments charges by products

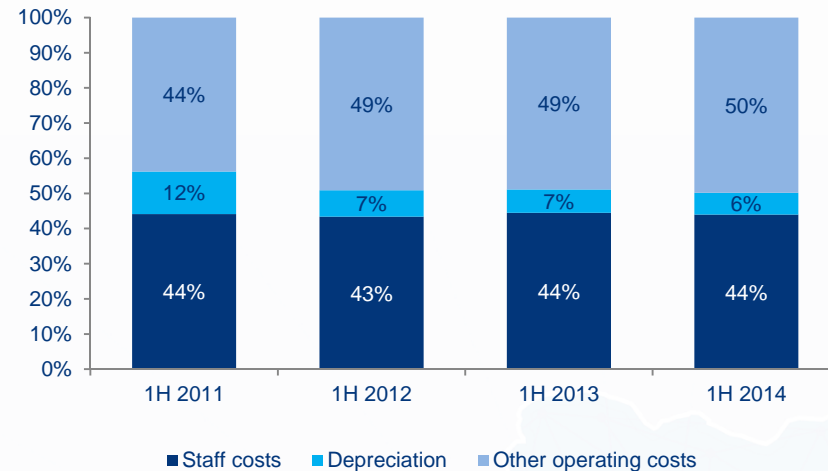


# Operating expenses and taxation

## Operating expenses and cost-to-income ratio

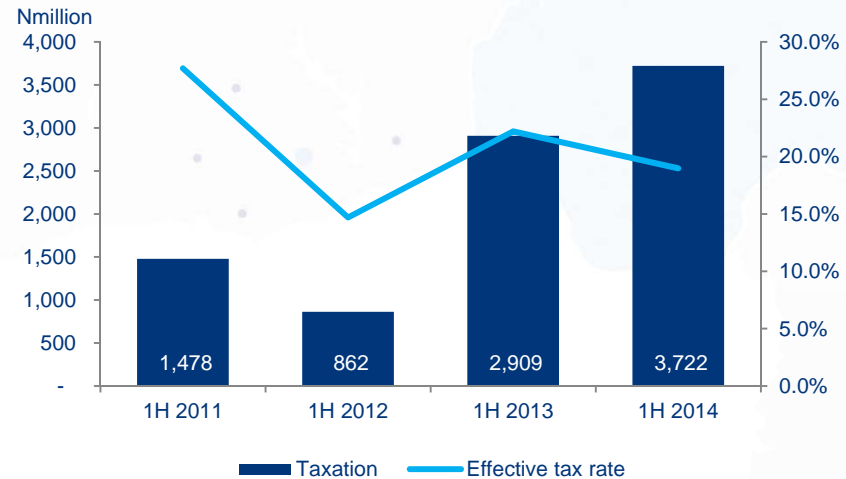


## Breakdown of operating expenses



- Operating expenses grew by 10% to N29.2 billion. The growth was driven by 9% increase in staff costs as a result of inflation adjustment to salaries and 11% growth in other operating expenses mainly as a result of growth in cost of insuring deposits through NDIC and increase in AMCON sinking fund expenses as total assets continue to grow.
- Cost-to-income ratio improved to 58.1% from 63.1% in 1H 2013, as we continue to maintain a higher growth in total income compared to cost growth over the last 3 years.
- The effective tax rate declined to 19.0% from 22.4% in 1H 2013, although tax payable is higher in value, the growth in revenue was higher than the growth in tax payable due to a higher revenue from tax exempt sources.

## Taxation and effective tax rate

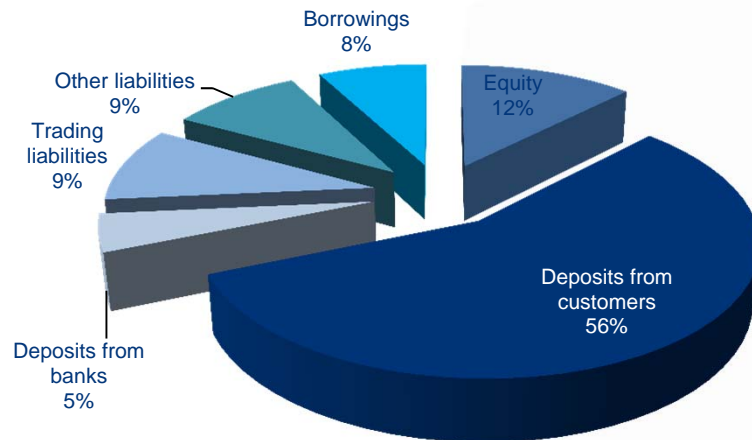




## Funding and shareholder value analysis

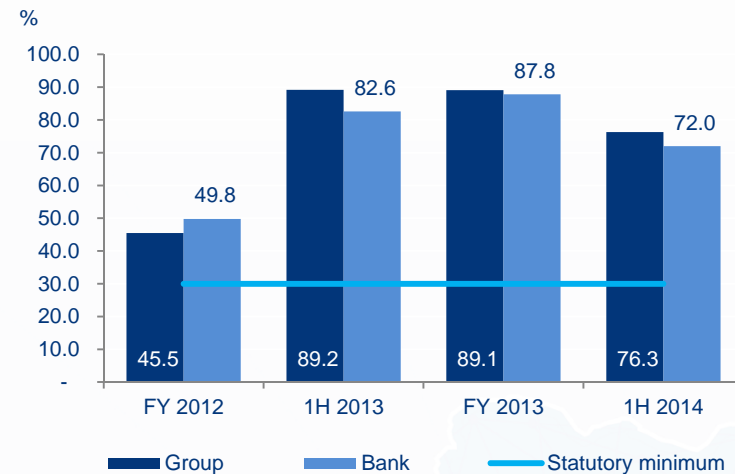
# Funding, liquidity and capital

## Funding mix

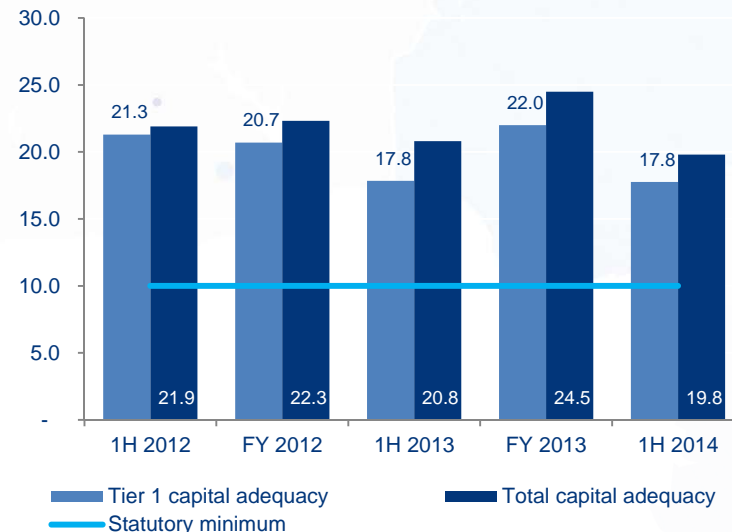


- Deposits from customers accounted for 64% of total liabilities and funded 56% of total assets, while equity funded 12% of total assets. The group's continues to focus on funding its assets with the right mix of liabilities especially with lower priced stable deposits.
- The group maintained a strong liquidity position in 1H 2014 with liquidity buffers held for potential stressed conditions. Liquidity ratio closed at 76.3% in 1H 2014 higher than the minimum statutory requirement of 30%.
- The group's capitalisation remained healthy in 2013. Total capital adequacy was 19.8% (Bank: 13.5%) at the end of first half of 2014. The Bank plans to raise up to N30 billion through a corporate bond to support growth.

## Liquidity ratio

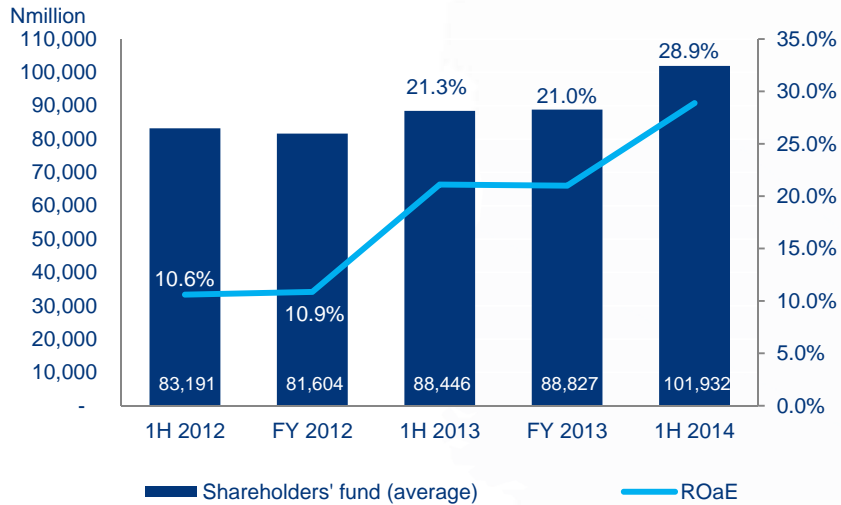


## Capital adequacy

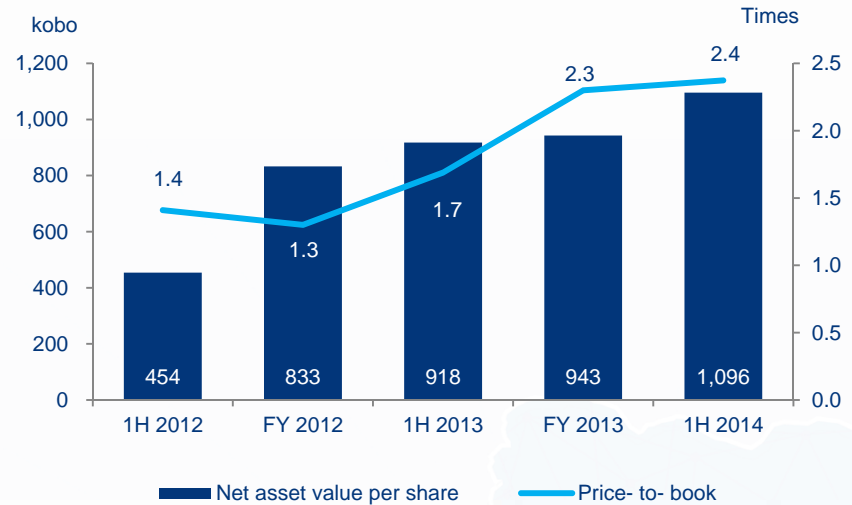


# Shareholder value

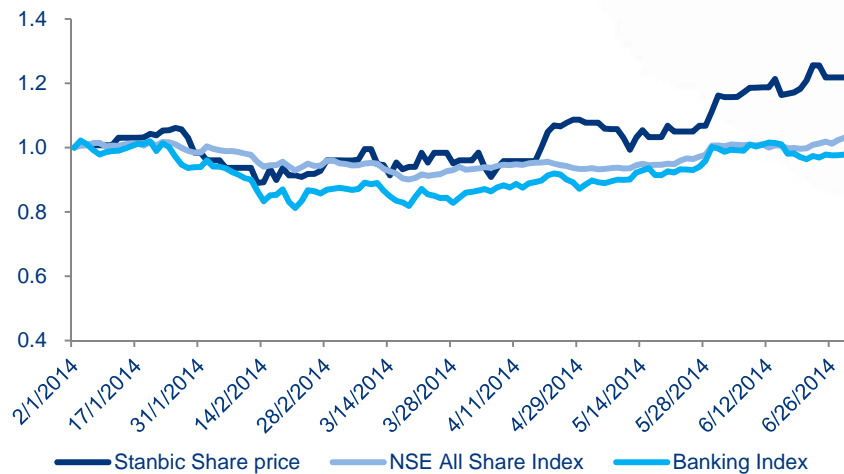
## Average shareholders' fund and return on equity



## Net assets value per share and price-to-book ratio



## Stanbic share price vs. NSE ASI and Banking Index

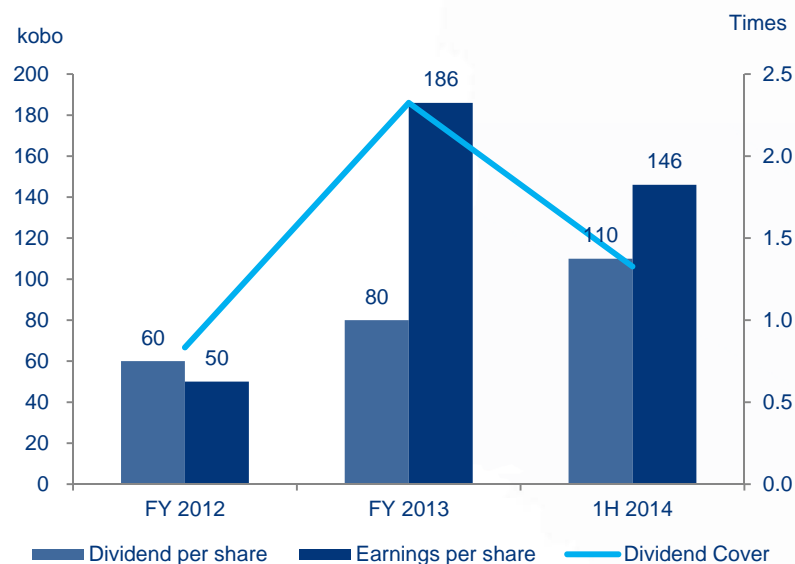


## Stanbic's market capitalisation



# Shareholder value

## Dividend per share and dividend cover



## Dividend history

Year ended	Total amount paid/proposed N'million	Dividend per share			
		Special dividend Kobo	Interim dividend Kobo	Final dividend Kobo	Total dividend Kobo
31 Dec 2012*	8,500	50	-	10	60
31 Dec 2013	1,000	-	70	10	80
31 Dec 2014	11,000	-	110	-	110

- An interim dividend of N1.10 has been declared by board of directors to be approved at the AGM in August 2014. This is on the back of receipt of 2013 dividend from the subsidiaries and a good performance in 1H 2014.
- Dividend paid in 2012 included 50k paid as special dividend during the share reconstruction to adopt the holding company structure, while 10k was paid as final dividend for 2012.



# Business segment performance review



## Corporate and Investment Banking

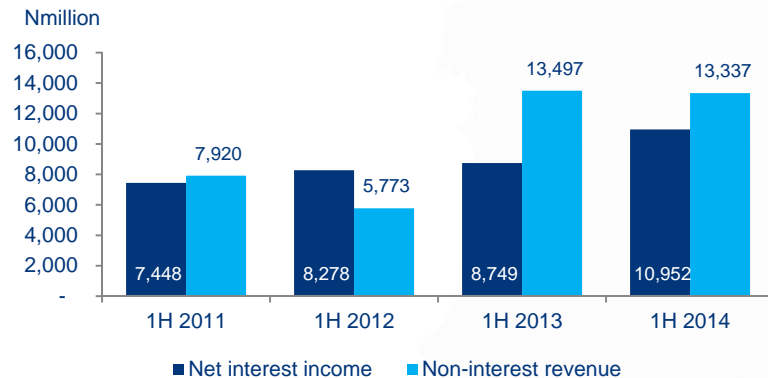
Yinka Sanni

Chief executive, Stanbic IBTC Bank



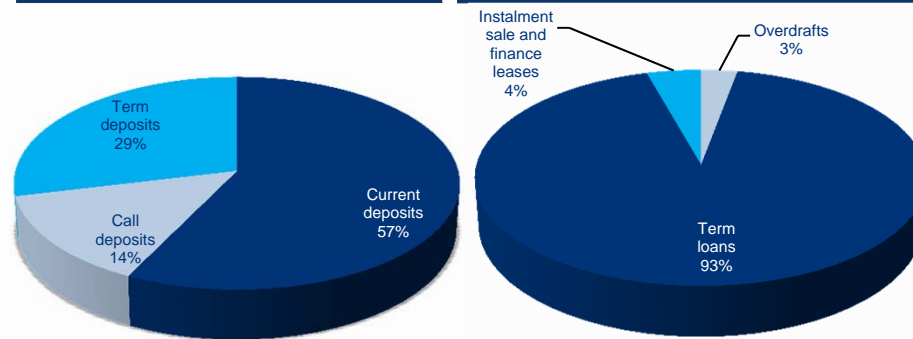
# CIB financial analysis

## Net interest income and Non-interest revenue

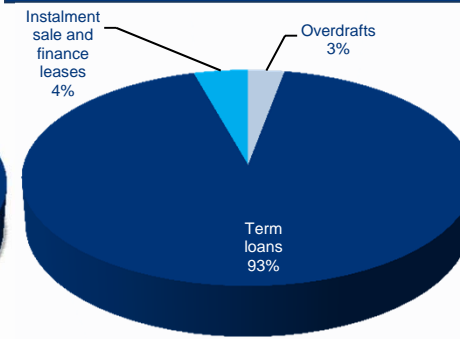


- Net interest income was up 25% to N11.0 billion, as a result of a 13% growth in interest income, while interest expense remained flat at N8.4 billion. The growth in interest income is as a result of increased lending to businesses in Oil and gas and manufacturing sectors, while maintaining low cost deposits to ensure decline in cost of funding.
- Non-interest revenue declined marginally by 1% to N13.3 billion, due a 6% decline in trading revenue offsetting the 8% growth in net fees and commission revenue. The stable market conditions in Q2 affected the trading revenue, while net fees and commissions revenue benefitted from growth in transaction volumes and activities.
- Operating expenses grew 15% to N10.9 billion due to a growth in incentives linked to stronger performance and 12% increase in other operating expenses due to information technology to improve business efficiency

## Breakdown of deposits



## Breakdown of risk assets



## Operating expenses and cost-to-income ratio



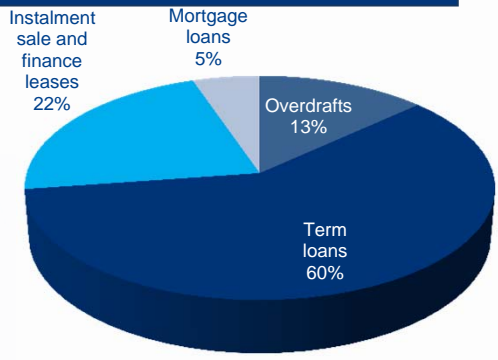
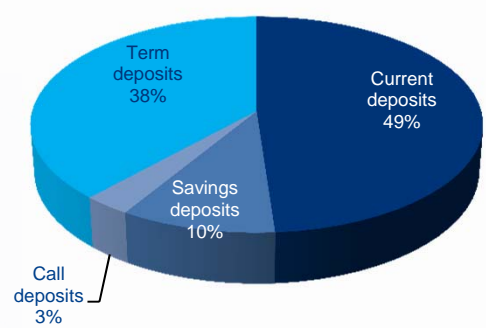
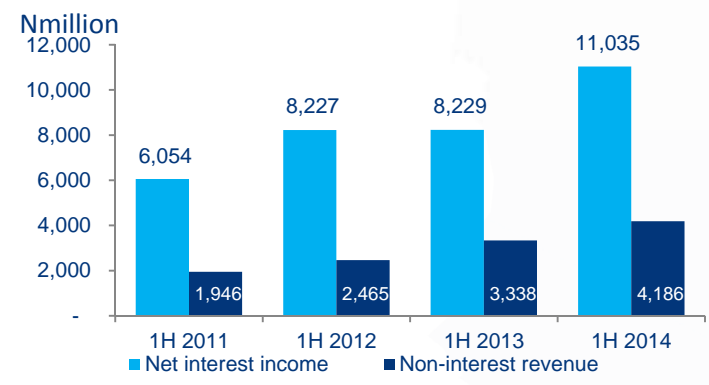
A light blue map of Nigeria is shown in the background, with a darker blue rectangular box overlaid on the lower right portion of the map. The box contains the text for the slide.

## Personal & Business Banking

Obinnia Abajue  
Executive Director

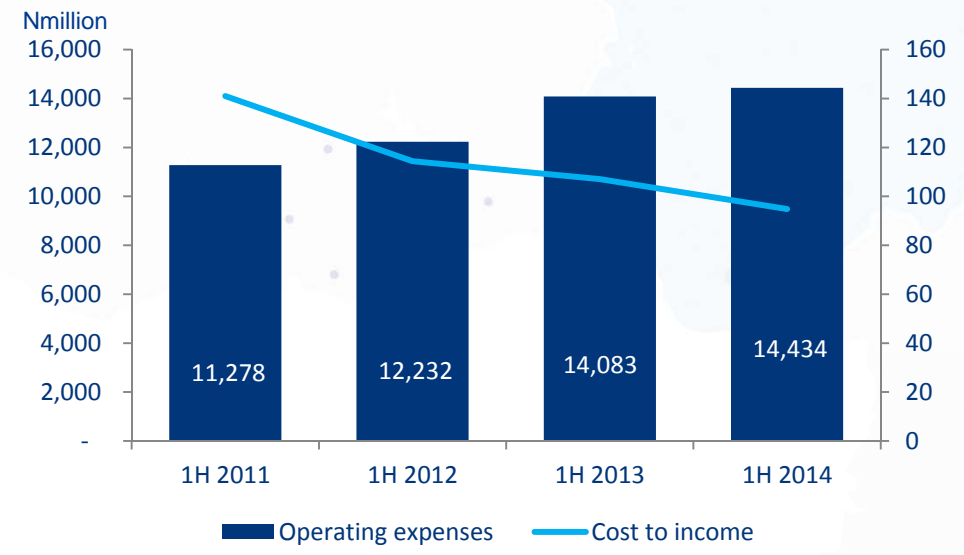
# PBB financial analysis

## Net interest income and Non-interest revenue      Breakdown of deposits      Breakdown of risk assets



- Net interest income grew by 34% to N11.0 billion, as a result of a 11% growth in interest income and 36% decline in interest expense. Interest income growth is due to increase in loan book and the ability to offer loans to customers at the market rates. The decline in interest expense is as a result of an improvement in the deposit mix with low cost deposits accounting for 59% of total deposits.
- Non-interest revenue increased by 25% to N4.2 billion, as a result of increased transaction volumes and activities on the back of a growing customer base and enlarged delivery channels. High ATM and internet banking uptime contributed positively to growth in account transaction fees.
- Operating expenses grew marginally by 4% to N14.6 billion as cost discipline strategy begins to yield positive results, with positive impact on the cost-to-income ratio which improved to 95.9% from 121.8% recorded in 1H 2013.

## Operating expenses and cost-to-income ratio





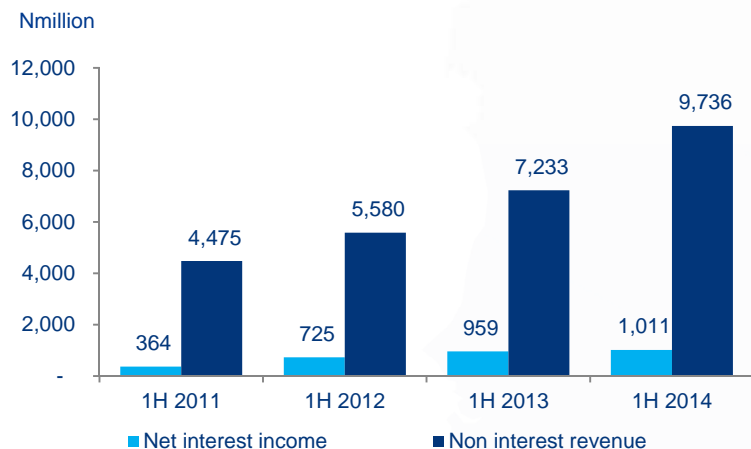
## Wealth

Demola Sogunle

Chief executive, Stanbic IBTC Pension Managers

# Wealth financial analysis

## Net interest income and Non-interest revenue

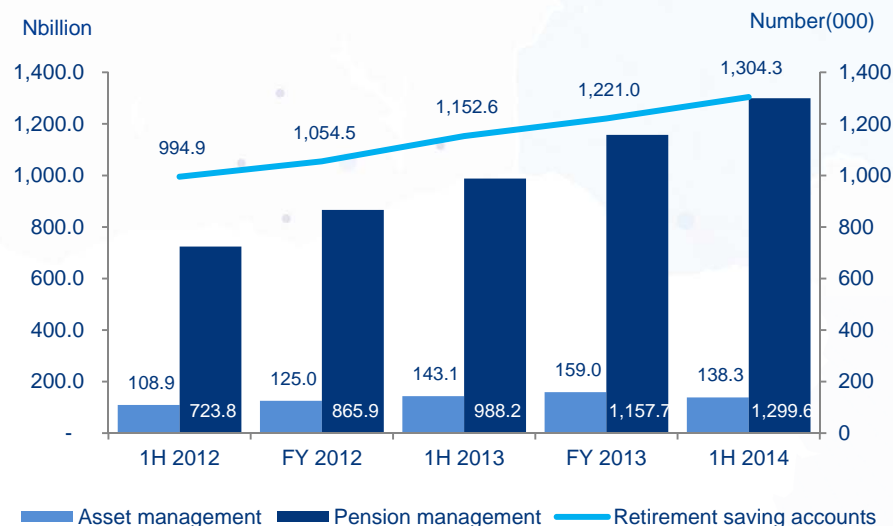


- Net interest income was up 5% to N1.0 billion, as a result of favourable yields on money market investments.
- Non-interest revenue increased 35% to N9.7 billion, driven majorly by a 9% growth in assets under management supported by growth in number of clients and size of contributions. The growth in assets under management was muted by the slow growth in the stock market.
- Operating expenses increased by 25%. Staff cost grew by 12% as a result of inflation adjusted salary increase, while other operating expenses was up by 37%, due to growth in information technology expenses to improve customer experience. Despite the increase in operating expenses, cost-to-income ratio improved to 34.2% from 35.8% recorded in 1H 2013.

## Operating expenses and cost-to-income ratio



## Growth in assets under management and RSAs





## 2H 2014 Prospects and outlook

Sola David-Borha  
Chief executive, Stanbic IBTC

# Moving forward

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## Our key execution priorities going forward

- Continued focus on growing our client base across target segments and key sectors;
- Maintain rigour in credit process while achieving sustainable loan growth;
- Greater collaboration between our businesses to deliver a truly end to end customer offering;
- Streamline and/or re-design processes and procedures for improved customer experience;
- Continued focus on cost efficiency;
- Continuous improvement in risk management capability as well as readiness for regulatory changes; and
- Raise Tier II capital of up to N30 billion

## 2H 2014: Prospects and outlook

Target	Comments
Deposits growth 25%	<ul style="list-style-type: none"> <li>•Improve CASA ratio to 60% from 55%</li> </ul>
Loan growth 15%	<ul style="list-style-type: none"> <li>•Opportunities in business banking, coupled with workplace banking solution</li> <li>•Oil &amp; gas and power sectors</li> </ul>
NPL ratio <5%	<ul style="list-style-type: none"> <li>•Maintaining appropriate balance between risk and reward</li> <li>•Increased client engagement by RMs</li> </ul>
Cost of risk <1.5%	<ul style="list-style-type: none"> <li>•Rigour in credit processes</li> <li>•Improvements in arrears management</li> </ul>
Net interest margin >5%	<ul style="list-style-type: none"> <li>•Business banking opportunities, coupled with improved CASA.</li> <li>•Offset however by growing FCY loan demand</li> </ul>
Cost to income ratio <63%	<ul style="list-style-type: none"> <li>•Disciplined approach to spend coupled with cost optimisation projects.</li> </ul>
Return on equity – 25%	



# Q & A

# Appendices

## Group statement of financial position

	1H 2014 Nmillion	Change %	FY 2013 Nmillion
Cash and cash equivalents	167,288	39	120,312
Trading assets	148,080	>100	40,711
Pledged and derivative assets	25,813	(2)	26,259
Financial investments	156,666	12	139,304
Loans and advances	350,994	(9)	383,927
Loans and advances to banks	8,780	(91)	94,180
Loans and advances to customers	342,214	18	289,747
Current and deferred tax assets	7,928	3	7,716
Other assets	26,298	33	19,829
Intangible asset	-	-	-
Property and equipment	23,771	(5)	24,988
<b>Total assets</b>	<b>906,838</b>	<b>19</b>	<b>763,046</b>
Trading liabilities	85,194	27	66,960
Derivative liabilities	812	(25)	1,085
Deposits and current accounts	554,454	18	468,038
Deposits and current accounts from banks	42,691	(17)	51,686
Deposits and current accounts from customers	511,763	23	416,352
Other borrowings	63,575	30	48,764
Subordinated debt	6,494	>100	6,399
Current and deferred tax liabilities	7,743	(1)	7,788
Other liabilities	76,264	15	66,378
<b>Total liabilities</b>	<b>794,536</b>	<b>19</b>	<b>665,412</b>
Equity	109,551	16	94,313
Non-controlling interest	2,751	(17)	3,321
<b>Liabilities and equity</b>	<b>906,838</b>	<b>19</b>	<b>763,046</b>

## Group quarterly statement of financial position

	2Q 2014 Nmillion	1Q 2014 Nmillion
Cash and Cash equivalent	167,288	160,946
Trading assets	148,080	60,418
Pledged and derivative assets	25,813	27,315
Financial investments	156,666	131,455
Loans and advances	350,994	374,813
Loans and advances to banks	8,780	68,158
Loans and advances to customers	342,214	306,655
Other assets	26,298	23,350
Current and deferred tax assets	7,928	7,420
Intangible assets	-	-
Property and equipment	23,771	24,154
<b>Total assets</b>	<b>906,838</b>	<b>809,871</b>
<b>Liabilities</b>		
Derivative liabilities	812	1,011
Trading liabilities	85,194	62,880
Deposit and current accounts	554,454	510,906
Deposits and current accounts from banks	42,691	58,544
Deposits and current accounts from customers	511,763	452,362
Other borrowings	63,575	65,027
Subordinated debt	6,494	6,624
Current and deferred tax liabilities	7,743	8,968
Provision and other liabilities	76,264	50,157
<b>Total liabilities</b>	<b>794,536</b>	<b>705,573</b>
<b>Equity</b>	109,551	100,324
Non-controlling interest	2,751	3,974
<b>Liabilities and equity</b>	<b>906,838</b>	<b>809,871</b>

## Summarised group income statement

	1H 2014 Nmillion	Change %	1H 2013 Nmillion
Interest income	34,017	12	30,382
Interest expense	(11,020)	11	(12,445)
<b>Net interest income</b>	<b>22,997</b>	28	17,937
<b>Non interest revenue:</b>	<b>27,260</b>	13	24,068
Net fee & commission income	18,764	25	14,981
Trading income	8,315	(6)	8,811
Other income	181	(34)	276
<b>Operating income</b>	<b>50,257</b>	20	42,005
Less: Credit impairment charges	(1,438)	39	(2,368)
Operating expenses	(29,202)	(10)	(26,543)
<b>Profit before tax</b>	<b>19,617</b>	50	13,094
Tax	(3,722)	(28)	(2,909)
<b>Profit after tax</b>	<b>15,895</b>	56	10,185

## Group income statement quarterly analysis

	2Q 2014 N'million	1Q 2014 N'million
<b>Gross income</b>	31,257	30,221
Net interest income	11,271	11,726
Interest income	16,998	17,019
Interest expense	(5,727)	(5,293)
<b>Non-interest revenue</b>	<b>14,175</b>	<b>13,085</b>
Net fee and commission revenue	9,828	8,936
Fee and commission revenue	9,912	9,053
Fee and commission expense	(84)	(117)
Trading revenue	4,214	4,101
Other revenue	133	48
<b>Total income</b>	<b>25,446</b>	<b>24,811</b>
Credit impairment charges	(243)	(1,195)
<b>Income after credit impairment charges</b>	<b>25,203</b>	<b>23,616</b>
<b>Operating expenses</b>	<b>(14,555)</b>	<b>(14,647)</b>
Staff costs	(6,421)	(6,418)
Other operating expenses	(8,134)	(8,229)
<b>Profit before taxation</b>	<b>10,648</b>	<b>8,969</b>
Taxation	(1,650)	(2,072)
<b>Profit for the period</b>	<b>8,998</b>	<b>6,897</b>

## CIB summarised financial statement and selected ratios

	1H 2014	Change	1H 2013
<b>Income statement</b>	<b>Nmillion</b>	<b>%</b>	<b>Nmillion</b>
Net interest income	10,952	25	8,749
Non-interest revenue	13,337	(1)	13,497
<b>Total income</b>	<b>24,289</b>	<b>9</b>	<b>22,246</b>
Impairment charges	(98)	87	(765)
Operating expenses	(10,934)	(15)	(9,504)
<b>Profit before tax</b>	<b>13,257</b>	<b>11</b>	<b>11,977</b>
<b>Balance sheet</b>			
Loans & advances	203,082	20	169,756
Deposit liabilities	311,657	43	218,454
<b>Key selected ratios</b>			
NIR to total income %	54.9		60.7
Cost to income ratio %	45.0		42.7
NPL/total loan ratio %	3.2		2.6

## CIB quarterly performance analysis

	2Q 2014 Nmillion	Change %	1Q 2014 Nmillion
<b>Income statement</b>			
Net interest income	5,602	5	5,350
Non-interest revenue	6,555	3	6,782
<b>Total income</b>	<b>12,157</b>	0	<b>12,132</b>
Impairment charges	209	>100	(306)
Operating expenses	(5,179)	10	(5,755)
<b>Profit before tax</b>	<b>7,186</b>	18	<b>6,071</b>
<b>Balance sheet</b>			
Loans & advances	203,082	11	182,371
Deposit liabilities	311,657	49	208,509
<b>Key selected ratios</b>			
Cost to income ratio %	44.0		47.3
NIR to total income %	53.9		55.9
Credit loss ratio %	(0.4)		0.7
NPL/total loan ratio %	3.2		1.9



## PBB summarised financial statement and selected ratios

	1H 2014 Nmillion	Change %	1H 2013 Nmillion
<b>Income statement</b>			
Net interest income	11,035	34	8,229
Non-interest revenue	4,186	25	3,338
<b>Total income</b>	<b>15,221</b>	<b>32</b>	<b>11,567</b>
Impairment charges	(1,340)	16	(1,603)
Operating expenses	(14,594)	(4)	(14,106)
<b>Loss before tax</b>	<b>(714)</b>	<b>83</b>	<b>(4,142)</b>
<b>Balance sheet</b>			
Loans & advances	153,829	15	133,550
Deposit liabilities	200,106	1	197,898
<b>Key ratios</b>			
Credit loss ratio %	1.7		3.4
Cost-to-income ratio %	95.9		107.1
NPL to total loan ratio %	6.9		8.2

## PBB quarterly performance analysis

	2Q 2014	Change	1Q 2014
<b>Income statement</b>	<b>Nmillion</b>	<b>%</b>	<b>Nmillion</b>
Net interest income	5,418	(4)	5,616
Non-interest revenue	2,166	7	2,020
<b>Total income</b>	<b>7,584</b>	<b>(1)</b>	<b>7,636</b>
Impairment charges	(452)	49	(889)
Operating expenses	(7,415)	(3)	(7,179)
<b>Loss before tax</b>	<b>(282)</b>	<b>35</b>	<b>(431)</b>
<b>Balance sheet</b>			
Loans & advances	153,829	11	139,142
Deposit liabilities	200,106	2	195,944
<b>Key ratios</b>			
Cost-to-income ratio %	97.8		94.0
Non-interest revenue to total income %	28.6		26.5
Credit loss ratio %	1.2		2.6
NPL to total loan ratio %	6.9		7.8

## Wealth summarised financial statement and selected ratios

	1H 2014 Nmillion	Change %	1H 2013 Nmillion
<b>Income statement</b>			
Net interest income	1,011	5	959
Non-interest revenue	9,736	35	7,233
<b>Total income</b>	<b>10,748</b>	31	8,192
Operating expenses	(3,674)	(25)	(2,933)
Profit before tax	7,074	35	5,259
<b>Balance sheet</b>			
	<b>1H 2014</b>	<b>Change %</b>	<b>FY 2013</b>
Assets under management (Nmillion)	1,437,938	9	1,316,690
Retirement savings accounts (number)	1,304,296	7	1,220,777
Cost-to-income ratio (%)	34.2		34.3

## Wealth quarterly performance analysis

	2Q 2014	Change	1Q 2014
<b>Income statement</b>	<b>Nmillion</b>	<b>%</b>	<b>Nmillion</b>
Net interest income	457	(17)	554
Non-interest revenue	5,063	8	4,673
<b>Total income</b>	<b>5,520</b>	<b>6</b>	<b>5,227</b>
Operating expenses	(1,943)	(12)	(1,731)
Profit before tax	3,577	2	3,497
<b>Balance sheet</b>			
Assets under management (Nmillion)	1,437,938	7	1,343,020
Retirement savings accounts (number)	1,304,296	2	1,282,440
Cost-to-income ratio (%)	35.2		33.1