

Unaudited results for the period ended 30 September 2013

Statement of profit or loss

	Group 30 Sept 13 Nmillion	Group 30 Sept 12 Nmillion	Company 30 Sept 13 Nmillion	Company 30 Sept 12 Nmillion
Gross earnings	82,921	64,030	8,898	-
Net interest income	27,094	26,601	-	-
Interest income	46,190	42,535	-	-
Interest expense	(19,096)	(15,934)	-	-
Non-interest revenue	36,446	21,318	8,898	-
Net fee and commission revenue	23,261	17,135	494	-
Fee and commission revenue	23,546	17,312	494	-
Fee and commission expense	(285)	(177)	-	-
Trading revenue	12,848	4,045	-	-
Other revenue	337	138	8,404	-
Total income	63,540	47,919	8,898	-
Credit impairment charges	(2,264)	(3,075)	-	-
Income after credit impairment charges	61,276	44,844	8,898	-
Operating expenses	(40,938)	(35,827)	(537)	-
Staff costs	(17,980)	(15,177)	(265)	-
Other operating expenses	(22,958)	(20,650)	(272)	-
Net income before indirect taxation	20,338	9,017	8,361	-
Indirect taxation	(106)	(277)	(11)	-
Profit before direct taxation	20,232	8,740	8,350	-
Direct taxation	(4,175)	(1,743)	(82)	-
Profit for the period	16,057	6,997	8,268	-
Profit attributable to:				
Non-controlling interests	1,459	971	-	-
Equity holders of the parent	14,598	6,026	8,268	-
Profit for the period	16,057	6,997	8,268	-

Statement of other comprehensive income

	Group 30 Sept 13 Nmillion	Group 30 Sept 12 Nmillion	Company 30 Sept 13 Nmillion	Company 30 Sept 12 Nmillion
Profit for the period	16,057	6,997	8,268	-
Other comprehensive income				
Items that will never be reclassified to profit or loss	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss:				
Net change in fair value of available-for-sale financial assets	1,016	3,062	-	-
Realised fair value adjustments on available-for-sale financial assets reclassified to income statement	(79)	257	-	-
	937	3,319	-	-
Other comprehensive income for the period net of tax	937	3,319	-	-
Total comprehensive income for the period	16,994	10,316	8,268	-
Total comprehensive income attributable to:				
Non-controlling interests	1,425	923	-	-
Equity holders of the parent	15,569	9,393	8,268	-
	16,994	10,316	8,268	-

Statement of financial position

	Group 30 Sept 13 Nmillion	Group 31 Dec 12 Nmillion	Company 30 Sept 13 Nmillion	Company 31 Dec 12 Nmillion
Assets				
Cash and balances with central bank	78,281	76,933	-	-
Trading assets	134,694	114,877	-	-
Pledged assets	23,239	24,440	-	-
Derivative assets	2,040	1,709	-	-
Financial investments	141,833	85,757	-	-
Loans and advances	427,498	320,662	2,925	2,625
Loans and advances to banks	138,703	54,318	2,925	2,625
Loans and advances to customers	288,795	266,344	-	-
Current tax assets	80	43	-	-
Equity Investment in group companies	-	-	68,951	68,951
Other assets	38,915	22,771	1,341	916
Deferred tax assets	5,597	5,169	-	-
Property and equipment	22,528	24,458	30	16
Total assets	874,705	676,819	73,247	72,508
Equity and liabilities				
Equity	93,534	85,651	71,777	71,503
Equity attributable to ordinary shareholders	90,917	83,341	71,777	71,503
Ordinary share capital	5,000	5,000	5,000	5,000
Ordinary share premium	65,450	65,450	65,450	65,450
Reserves	20,467	12,891	1,327	1,053
Non-controlling interest	2,617	2,310	-	-
Liabilities	781,171	591,168	1,470	1,005
Trading liabilities	92,137	88,371	-	-
Derivative liabilities	627	772	-	-
Deposit and current accounts	557,173	382,051	-	-
Deposits from banks	65,314	26,632	-	-
Deposits from customers	491,859	355,419	-	-
Other borrowings	51,108	66,873	-	-
Subordinated debt	6,517	-	-	-
Current tax liabilities	5,817	4,686	63	-
Deferred tax liabilities	242	158	19	-
Other liabilities	67,550	48,257	1,388	1,005
Total equity and liabilities	874,705	676,819	73,247	72,508



Atedo N.A. Peterside c o n
Chairman
FRC/2013/CIBN/00000001069
25 October 2013



Sola David-Borha
Chief Executive Officer
FRC/2013/CIBN/00000001070
25 October 2013



Arthur Oginga
Chief Financial Officer
FRC/2013/IODN/00000003181
25 October 2013

Board of directors

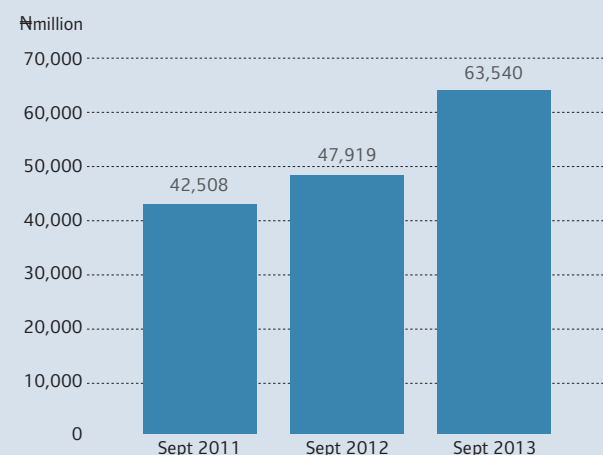
Atedo N.A. Peterside c o n (Chairman), Sola David-Borha (CEO), Dominic Bruynseels***, Moses Adedoyin, Sam Cookey, Ifeoma Esiri, Arnold Gain**, Ben Kruger*, Ratan Mahtani, Chris Newson**, Maryam Uwais MFR

*South African ** South African/British ***British

9M 2013 results review

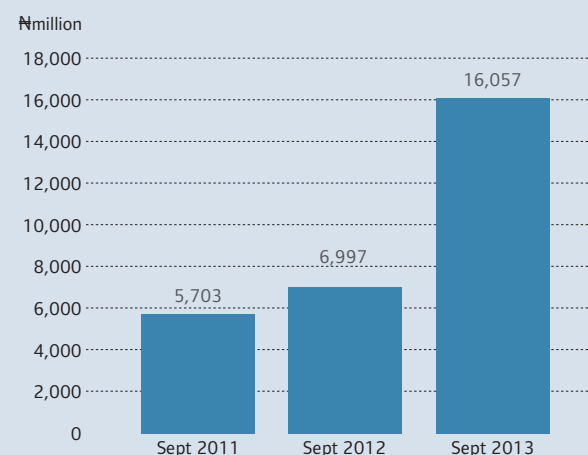
Total income

CAGR (Sept 2011-Sept 2013): 22%



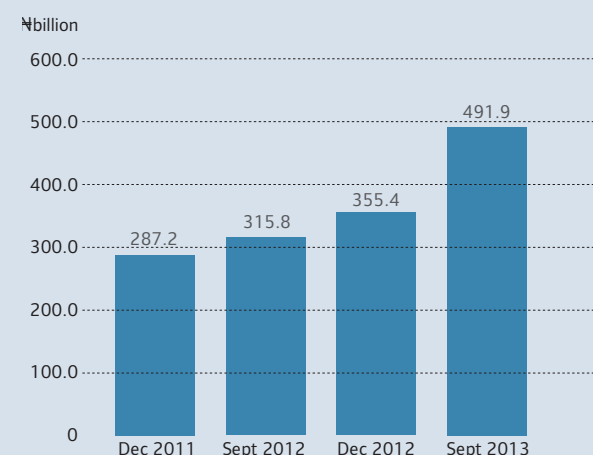
Profit after tax

CAGR (Sept 2011-Sept 2013): 68%



Deposits from customers

CAGR (Sept 2012-Sept 2013): 25%



Key financial highlights

Gross income growth	29.5%
Total income growth	32.6%
Profit before tax growth	125.6%
Profit after tax growth	129.5%
Gross loans and advances growth (9 months)	8.0%
Deposit growth (9 months)	38.4%
Net interest margin (annualised)	4.9%
Non-performing loan to total loan	4.5%
After-tax return on average equity (annualised)	22.3%
After-tax return on average assets (annualised)	2.5%
Cost-to-income ratio	64.4%
Credit loss ratio	0.8%
Capital adequacy: Group:	19.6%
Bank:	16.0%
Earnings per share (kobo)	146
Price to book (times)	2.1
Fitch ratings	AAA(nga)

and custody businesses. The growth in trading revenue is as a result of increased transaction volumes from customers as well as a well positioned trading book taking advantage of volatility in the fixed income and foreign exchange trading.

Operating expenses grew by 14% on the back of 18% and 11% growth in staff costs and other operating expenses respectively. Staff cost growth was due to inflation related salary increases and increase in headcount of non-full time staff and sales agents to drive customer acquisition, while growth in other operating expenses was occasioned by the increase in AMCON sinking fund contribution, deposit insurance and premises related expenses. On a quarter-on-quarter basis, staff costs increased by 5% to N6.2 billion to in 3Q 2013 over N5.9 billion recorded in 2Q 2013, and 1Q 2013, while other operating expenses increased by 16% to N8.2 billion from N7.1 billion recorded in 2Q 2013.

Credit impairments declined 26% to N2.3 billion at the end of 3Q 2013. The decline in credit impairment is on the back of resolution of some delinquent loans and write back of provisions no longer required.

Profit before tax consequently was up 126% to N20.3 billion, while profit after tax increased by 129% to N16.1 billion. The cost-to-income ratio improved to 64.4% (9M 2012: 74.8%), as revenue continued to rise faster than cost.

Overview of financial results

The operating environment in the first nine months of 2013 has been characterised by increased changes to regulations, sustained high interest rates, continuous improvement in the capital market though a slowdown was witnessed in 3Q 2013.

The operating environment also experienced sustained single digit inflation as a result of tight monetary policy and other monetary policy measures by the central bank, favourable yields in money market instruments and strong competition for good quality corporate credits.

Income statement analysis

Our results in the first nine months of 2013 showed an increase of 33% in total income to N63.5 billion despite the challenging operating environment. This improved performance was majorly driven by a 71% growth in non-interest revenue and a more modest 2% growth in net interest income.

Interest income was up 9% to N46.2 billion as a result of sustained growth in lending activities and positive yields in investment securities. Income from loans and advances represented 67% of interest income, while income from investment securities contributed 28% and revenue from interbank activities accounted for the remaining 5%. On a quarter-on-quarter basis, interest income was up marginally by 1% to N15.8 billion in 3Q 2013 from N15.7 billion in 2Q 2013, and up 8% from N14.7 billion recorded in 1Q 2013.

Interest expense increased by 20% to N19.1 billion due to a 38% growth in deposits, a portion of which comprises term deposits. Interest expense on a quarter-on-quarter basis, was up 10% to N6.7 billion in 3Q 2012 from N6.0 billion in 2Q 2013 and up 4% from N6.4 billion in 1Q 2013 as a result of the effect of the tier 2 capital raised towards the end of Q2 2013. Overall, net interest margin declined to 4.9% from 5.6% recorded in nine months of 2012.

Non-interest revenue, made up of revenue from commissions, fees, trading and other non-interest bearing revenue, increased by 71% to N36.4 billion. The increase is as a result of a 36% growth in net fee and commission revenue and over a 100% growth in trading revenue. The growth in net fee and commission revenue is due to the increase in transactional volumes and activities, a function of our enlarged delivery channels, excellent customer services, steady growth within our wealth business and good advisory mandates in investment banking. The continued good performance of the capital market also impacted positively on the revenues of our stockbroking, asset management

Capital adequacy

The group continued to maintain a healthy capital base as capitalisation ratios remain at strong levels and are well above the regulatory requirement. The group's current capital level is considered adequate to support business growth, risks and contingencies.

	Group 9M 2013 Nmillion	Group FY 2012 Nmillion	Bank 9M 2013 Nmillion	Bank FY 2012 Nmillion
Tier I capital	69,840	78,172	54,817	59,019
Tier II capital	13,800	6,152	11,471	3,842
Total qualifying capital	83,640	84,324	66,288	62,861
Risk weighted assets	427,054	377,993	414,334	362,856
Capital adequacy				
Tier I	16.4%	20.7%	13.2%	16.3%
Tier II	3.2%	1.6%	2.8%	1.1%
Total	19.6%	22.3%	16.0%	17.3%

Statement of financial position analysis

The group's total assets stood at N874.7 billion at the end of nine months in 2013, representing a 29% growth over N676.8 billion recorded at the end of December 2012. Total assets growth was mainly driven by the growth in deposit liabilities which enhanced the opportunities to create more assets.

Gross loans and advances increased by 8% in the first nine months of the year to N301.8 billion. The loan book growth has been negatively impacted by the high interest rate environment and sustained competition for good quality corporate credits. We are committed to taking advantage of opportunities to grow our loan book responsibly.

The quality of risk assets continues to improve as the group's non-performing loan book declined by 6% to close at N13.5 billion at the end of 3Q 2013 from N14.3 billion in FY 2012. The decrease is as a result of resolution of some loans in the Personal and Business Banking segment. Consequently, this reduction positively impacted the ratio of non-performing loans to total loans which improved from 5.1% in FY 2012 to 4.5% at the end of September 2013. The credit loss ratio also declined from 2.5% in FY 2012 to 0.8% at the end of 3Q 2013. The coverage ratio for non-performing loans improved to 96% from 92% in FY 2012.

The group's deposit liability from customers was up 38% to close at N491.9 billion at the end of September 2013. The deposit book grew on the back of our enlarged points of representation, growing customer base and excellent service delivery. We continued to consciously exit matured expensive funding and replace them with cheaper deposits. Consequently, the deposit mix improved as the ratio of low cost and stable deposits increased to 59% from 49% at the end of 4Q 2012. We are committed to leveraging our expanded delivery channels, our brand and service excellence to increase our share of low cost deposits.

The balance sheet was funded mainly by deposits from customers as it accounted for 56% of total assets and 63% of total liabilities at the end of 3Q 2013. The liquidity ratio at the end of the period stood at 72.7% (4Q 2012: 45.5%). This is significantly higher than the regulatory minimum of 30%.