

- Growth in Gross Earnings due to growth in interest income and fee and commission income
- Interest expenses under control leading to growth in Net interest income
- E-business income drove the growth in Fees and Commission income, and accounted for 42% of the total
- Significant net foreign exchange (FX) loss mostly as a result of unrealised FX loss on revaluation
- Substantial growth in net gain on investment securities, driven by increased income from derivative instruments
- Net impairment loss on financial assets inched up
- Cost to income ratio declined
- PBT and PAT Margins rose marginally
- Trailing Return on Equity (ROE) rose marginally in 2016 compared with 2015
- Price to Book lower than emerging market banks
- **We maintain our BUY rating on the stock.**

N 'million	Sep-16	Sep-15	Change
Gross Earnings	274,468	257,590	6.55%
Interest Income	181,211	155,361	16.64%
Interest Expenses	74,837	79,464	(5.82%)
Net Interest Income	106,374	75,897	40.16%
Fees and Commission Income	45,606	26,728	70.63%
Fees and Commission Expenses	368	32	1,058.40%
Net Fee and Commission Income	45,238	26,696	69.45%
Net Gain on Investment Securities	96,277	50,658	90.05%
Net FX Income/ (loss)	(53,687)	18,052	(397.40%)
Other Operating Income	5,061	6,792	(25.48%)
Total Net Non-Interest Income	92,889	102,198	(9.11%)
Operating Income	199,263	178,094	11.89%
Net Impairment Loss on Financial Assets	12,336	11,551	6.79%
Net Operating Income After Impairment	186,927	166,543	12.24%
Total Operating Expenses	114,923	106,171	8.24%
Profit Before Tax (PBT)	72,004	60,372	19.27%
Taxation Charge	14,909	12,279	21.41%
Profit After Tax (PAT)	57,095	48,093	18.72%

Key Performance Ratios

	Sep-16	Sep-15	Change
Interest Income to Gross Income	66.02%	60.31%	5.71%
Non-Interest Income to Gross Income	33.98%	39.69%	(5.71%)
Interest Expenses to Interest Income	41.30%	51.15%	(9.85%)
Non-Interest Expenses to Non-Interest Income	0.81%	0.12%	0.69%
Cost to Income Ratio	61.48%	63.75%	(2.27%)
Operating Income Margin	68.11%	64.65%	3.45%
PBT Margin	26.23%	23.44%	2.80%
PAT Margin	20.80%	18.67%	2.13%
Price to Book Ratio (Trailing)	0.37	0.38	(0.01)
Return on Equity (Trailing)	16.91%	15.29%	1.62%

Financial Position

N' Million				Relative to Total Assets	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Cash and Bank Balances	603,595	478,409	26.17%	17.81%	18.46%
Non Pledged Trading Assets	58,290	52,298	11.46%	1.72%	2.02%
Loans to Customers & Banks	1,837,140	1,408,565	30.43%	54.20%	54.36%
Investment Securities	144,271	186,223	(22.53%)	4.26%	7.19%
Deferred Tax Assets	687	10,846	(93.67%)	0.02%	0.42%
Other Assets	745,630	454,989	63.88%	22.00%	17.56%
Total Assets	3,389,611	2,591,330	30.81%	100.00%	100.00%
N' Million				Relative to TL*	
	Sep-16	Dec-15	Change	Sep-16	Dec-15
Deposit From Banks	172,374	72,914	136.41%	5.85%	3.28%
Deposit From Customers	2,098,561	1,683,244	24.67%	71.22%	75.70%
Borrowings	299,619	231,467	29.44%	10.17%	10.41%
Debt Securities Issued	239,702	149,854	59.96%	8.13%	6.74%
Other Liabilities	136,519	86,049	58.65%	4.63%	3.87%
Total Liabilities	2,946,776	2,223,529	32.53%	100.00%	100.00%
Total Equity	442,836	367,801	20.40%		
*Total Liabilities					