

A Comparative Performance Evaluation of the Nigerian Banking Sector in the Post – 2005 Consolidation: Through the Camel Rating System

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Abstract

Banking in Nigeria has undergone remarkable changes since 2005 bank consolidation. The era of arm chair banking has gone. It has become a different ball game in terms of competition and its inherent strategies. This transition eventually brings the Nigerian banks to be in need of capital, asset creation, earnings, liquidity and the management to manage the risk exposure of the aforementioned. In this era of banking, customers must know and understand their banks so that they can differentiate between the degrees of performing and non-performing banks. In this context, the present study evaluates and compares the performance of the Nigerian banks in the post – 2005 consolidation: through the CAMEL rating system. Moreover, the Nigerian banks are ranked based on their performance. The ranking result can be used to analyse the strengths and weaknesses of a bank compared to its competitors.

Keywords: CAMEL, performance, efficiency, and ranking

1. Introduction

In order to strengthen the performance of Nigerian banks, the Central Bank of Nigeria (CBN) has been taking strong measures since 2005 till date; this has made the landscape of Nigerian banking changed altogether. All the Nigerian banks were directed to follow the norms of capital adequacy, asset quality, provision for non-performing assets, prudential norms, disclosure requirements, acceleration of pace and reach of latest technology, streamlining the procedures and complying with accounting standards and making financial statements transparent and using the same financial calendar. Because of these factors, the interest of the analysts and researchers got developed to evaluate the financial performance of the Nigerian banks. In this direction, the researchers like Sanni (2009), and Uhomoibhi (2008) have attempted to make a contribution in the field. Among those researchers, no one used the latest technique of CAMEL Parameters to study the financial performance of the Nigerian banks in the post-2005 consolidation. It is against this backdrop that the present study has been undertaken to fill up this gap.

In the light of the above, this study looks at levels of efficiency of Nigerian banks, based on the **CAMEL** rating system. The **CAMEL** acronym stands for **C**apital adequacy, **A**sset quality, **M**anagement, **E**arnings and **L**iquidity.

2. Objectives

The main objectives of the study are:

- (i) to analyse the financial performance of the banks under study; and
- (ii) to highlight the comparison of financial performance of the banks.

3. Literature Review

Various studies relating to the financial performance of banks have been conducted by researchers. Sanni (2009) took a look at the 2005 consolidation of banks exercise in Nigeria with a view of finding out the short term effect of increase in the minimum paid-up capital of banks on their performance. After an examination of thirteen banks, Sanni had a mixed result for his selected banks. K.V.N. Prasad and A.A. Chari (2011) conducted a study to evaluate financial performance of public and private sector banks in India. In this study they compared financial performance of top four banks in India viz., SBI, PNB, ICICI and HDFC and concluded that on overall basis HDFC rated top most position.

Nimalathan B. (2008) highlighted comparison of financial performance of banking sector in Bangladesh using CAMELS rating system. Accordingly CAMELS rating system shows that 3 banks was 01 or Strong, 31 banks were rated 02 or Satisfactory, rating of 7 banks was 03 or Fair, 5 banks were rated 4 or Marginal and 2 banks got 05 or Unsatisfactorily rating. 1 NCB had Unsatisfactorily rating and other 3 NCBs had Marginal rating.

Based on the above literature, we can say that there are some studies about banks in various countries; however a detailed study (through the CAMEL rating system) has not yet been conducted for post-2005 bank consolidation in Nigeria. Hence the present study is made on “A Comparative Performance Evaluation of the Nigerian Banking Sector in the Post – 2005 Consolidation: Through the CAMEL Rating System” using all the 15 quoted banks on the Nigerian Stock Exchange as at April, 2012.

4. Methodology

This study adopts the CAMEL approach to evaluate the performance of banks and to determine their soundness/safeness. The CAMEL parameters are predicted by using the ratios tabulated in Table 1 in the Appendix.

The ratios used for the CAMEL parameters are calculated based on the annual reports of the individual bank. The calculation is done separately for each of the parameters and the ratios related to each parameter are taken on an average over the five-year period (2006-2010) for each bank. The average values are used to rank the banks. Higher average value of the ratios got ranked higher. The best ratio got rank one followed up to rank fifteen with an interval of one. In case of equal average ratio, the average rank was assigned to the banks. All the average ratios having higher value got higher rank except for the ratios of non-performing loans and advances to total loans and advances, interest expenses to total deposits, and operating expenses to total assets that are ranked in reverse order. Lower rank is assigned to higher ratio under the three ratios. The averages of all the parameters' rankings are used for the final ranking of the banks

4.1. Capital Adequacy (C)

Capital adequacy is a measure of the financial strength of a bank, usually express as a ratio of its shareholders' fund to total assets. The ratio reflects the ability of a bank to withstand the unanticipated losses. This ratio has a positive relationship with the financial soundness of the bank.

4.2. Asset Quality (A)

Asset quality is an important measure of the strength of banks. The ratio of non-performing loans and advances as a share of total and advances is considered for the purpose of analysis. In addition, the ratio of total loans and advances to total assets is utilized to measure the extent of deployment of assets in earning assets.

4.3 Management Quality (M)

The capacity/efficiency of the management of a bank can be measured with the help of certain ratios. To capture the possible dynamics of management efficiency, the following ratios are considered: total loans and advances to total deposits, interest expenses to total deposits, and operating expenses to total assets.

4.4. Earnings Ability (E)

Two ratios are used to assess the earnings ability of the banks under study. The first ratio is the net income to total assets or “ROA”. The second ratio used is interest income to total assets. The two ratios have positive relationship with the financial performance of the bank and negative relationship the risk of bank failure.

4.5. Liquidity (L)

Two ratios are employed in this study to assess the liquidity level of the banks. The first one is total liquid assets to total assets. The second ratio is liquid assets to customers' deposits.

5. Results and Discussion of the Camel Analysis

The indicators of the financial health of the banks are discussed under the following:

5.1 Capital Adequacy Analysis

The capital adequacy ratios of the banks under study are given in Tables 2

Table 2 shows that FCMB Bank Plc maintained a CAR of 23.64% on an average over the five-year period and is ranked first compared to its peer group. Whereas, WEMA Bank Plc has maintained on an average a CAR of -4.31% which is least amongst its peer group and is thus ranked last. The average capital of the WEMA Bank Plc is negative due to the heavy accumulated losses in 2008 and 2009.

5.2 Asset Quality Analysis

Table 3 depicts the highest average value of non-performing loans and advances as a percentage of total loans and advances of WEMA Bank at 112.63% and is ranked last. Whereas, Zenith Bank exhibited remarkable asset management ability and the average value of its non-performing loans and advances/total loans and advances is only 3.69% which is the lowest. Thus Zenith Bank is ranked first in this parameter.

Table 4 depicts the series for the total loans and advances/total assets ratios in order to assess the banks' ability in earning return on their assets. As can be seen in the Table, ECO Bank Nigeria Plc has average ratio of 42.59% which is highest amongst its group members and is thus ranked first on the parameter of loans and advances to total asset ratio. The average ratio of 26.24% for Union Bank Plc. indicates that the bank has the lowest earning capacity (assets) in the whole sample period.

5.3 Management Capability Analysis

Table 5 exhibits the total loans and advances to total deposits ratio of the selected banks. Amongst the banks, STANBIC IBTC Bank exhibits ratio which is at 90.08% and is ranked first, whereas, the ratio of Unity Bank Plc is lowest at 35.99% amongst the group and is thus ranked last.

The managerial quality concerning the cost management of the banks over deposits is presented in Table 6. The average of interest expenses to total deposit ratio of First Bank of Nigeria Plc is lowest at 3.12% amongst the group and thus tops the table followed by UBA. Whereas the ratio of STANBIC IBTC Bank is 8.91%, which is highest amongst the group and thus ranked last.

The efficiency of the banks' operations measured by operating expenses/total assets ratio is presented in Table 7. It is quite clear from the Table 7 that FCMB maintained ratio of 3.92% which is lowest amongst its group members and is thus ranked first. It is also evident from the table that the ratio of Unity Bank is 9.14%, which is highest compared to its peer members (on the average) and is thus ranked last.

5.4 Earnings Analysis

It is exhibited in Table 8 that the average value of net profit to total assets ratios of GTB Plc is 2.88% which is highest amongst its peer group and is thus ranked first. The average of net income/total assets ratios of WEMA Bank Plc is -8.47% which is lowest among its group and is ranked last.

The net interest income to total asset ratio is presented in the Table 9. The average of interest net income to total asset ratios of Sterling Bank Plc is highest at 10.07% and is ranked first. A further analysis of the Table 6 reveals FCMB Plc to have the lowest average of net interest income to total assets ratios at 6.10% and is thus ranked last.

5.5 Liquidity Analysis

Table 10 depicted the liquid assets (which consist of cash and treasury bills) to total assets ratios of the selected banks. The average of liquid assets to total assets ratios of Zenith bank Plc is highest at 35.48% amongst the group and thus tops the chart whereas the average of liquid assets to total assets ratios of FCMB Bank Plc is 9.71%, which is lowest and ranked lowest amongst the group.

Table 12 exhibits the trends for the liquid assets to customers' deposits ratios. Zenith Bank Plc demonstrated better management of its liquidity and was able to garner an average of liquid assets to customers' deposits ratios to the tune of 52.92%. This is highest of all banks and thus Zenith Bank Plc is ranked first. The average of liquid assets to customers' deposits ratios of Sterling Bank Plc is at 14.71% which is lowest compared to other banks and is ranked last.

5.6 Group Ranking of the Banks Understudy on the CAMEL Parameters

The Group Ranking on the CAMEL parameters is exhibited in Table 12, Table 13, Table 14, Table 15, and Table 16. Each parameter is ranked based on the average of individual bank's sub-parameter ranks.

Table 12 shows the capital adequacy ratios by type of banks and the rank position of the banks. As it is evident from the Table, FCMB has the highest capital adequacy ratio and topped the Table. FCMB is followed by Stanbic IBTC, Fidelity Bank, and Access Bank occupying the second, third, and fourth position respectively. The last position is occupied by WEMA Bank.

The group ranking of all the selected banks under the asset quality parameter of is shown in Table 13. Zenith Bank ranked first in the first sub-parameter i.e. non-performing loans and advances (NPLA) to total to total loans and advances of the main parameter of asset quality while First Bank ranked second in the second sub-parameter i.e. total loans and advances to total assets ratio. The rankings of the two sub parameters are averaged out and the final group ranking is reached. First Bank demonstrated excellent asset management capability and topped the Table in the parameter of asset quality followed by Diamond Bank and GTB both sharing the same rank. Sterling Bank is ranked last in the group on the parameter of asset quality.

The group ranking of the selected banks under the parameter of management quality is shown in Table 14. Access Bank is ranked first followed FCMB. The last two positions are occupied by WEMA Bank (rank 14) and Unity Bank (rank 15).

Table 15 shows the earning ability by type of banks and the rank position of the banks. Stanbic IBTC Bank demonstrated excellent ability to generate income on its assets and thus commands the first position amongst the group. Unity Bank, Access Bank, and Union Bank were not so successful in generating income on their assets and thus ranked 13, 14, and 15 respectively.

The ability of the banks understudy to meet their short-time obligation is exhibited in Table 16 under group ranking on liquidity parameter. Zenith Bank demonstrated first-rate ability to manage its liquidity under the two sub-parameters and thus commands the first position amongst the group. Fidelity Bank is ranked last in the group on the parameter of liquidity management.

5.7 Overall Ranking Based on the CAMEL Parameter

The overall capital adequacy, asset, managerial, earning, and liquidity performance of the banks for the study period (2006-2010) is exhibited in Table 17 based on the CAMEL parameters.

GTB ranked first for the overall ranking. Diamond Bank, Zenith Bank, and First Bank are ranked second, third, and fourth respectively. Unity Bank, Union Bank, and WEMA Bank were not so successful based on the overall CAMEL parameters and thus ranked 13, 14.5, and 14.5 respectively for the period 2006 – 2010.

6. Conclusion

This study has analyzed the performance of the Nigerian banking sector in the post 2005 through the CAMEL rating system. The study revealed that,

- FCMB Plc is the most capitalised bank (shareholders' fund/total assets) while WEMA Bank Plc depicted the least rating of capital adequacy during the study period.
- First Bank of Nigeria Plc. outperformed other banks in asset quality perspective.
- Access Bank Plc performed better than any other bank in term of management quality.
- Stanbic IBTC Bank Plc proved to be the best bank in utilising assets to generate return.
- Zenith Bank Plc excelled over other banks in protecting the short-term creditors.
- Two banks [Guarantee Bank Plc (GTB) and Diamond Bank Plc.] demonstrated sterling performance by consistently ranked among the first best 10 performing banks based on all the Group Ranking on the CAMEL parameters for the study period (2006 -2010).
- WEMA Bank Plc was not so successful in financial performance by consistently ranked among the last 7 performing banks based on all the Group Ranking on the CAMEL parameters for the study period (2006 -2010).
- The study also revealed that GTB Plc rated top on the basis of overall performance.

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Appendix

Table 1: Ratios Used for the Five Elements of CAMEL Analysis

Parameter	Ratio	Source
Capital Adequacy	*Shareholders’ Fund to Total Asset	Gunsel N.(2007)
Asset Quality	*Non-Performing Loans and Advances to Total Loans and Advances	Nimalathasan B. (2008)
	*Total Loans and advances to Total Assets	Gunsel N.(2007)
Management Quality	*Total Loans and Advances to Total Deposit	Reddy and Prasad (2011)
	* Interest Expenses to Total Deposit	Gunsel N.(2007)
	*Operating Expenses to Total Assets	Gunsel N.(2007)
Earning Ability	*Net Income to Total Assets	Gunsel N.(2007)
	* Net Interest Income to Total Assets	Gunsel N.(2007)
Liquidity	* Liquid Asset to Total Asset	Gunsel N.(2007)
	* Liquid Asset to Total Customers Deposit	Gunsel N.(2007)

Table 2: Capital Adequacy Ratio of the Selected Banks

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	13.28%	8.64%	16.67%	26.74%	25.10%	18.09%	4
DIAMOND	14.07%	17.26%	19.39%	18.26%	21.31%	18.06%	5
ECO Bank	22.20%	11.18%	7.34%	7.64%	16.36%	12.94%	10
FCMB	24.76%	11.78%	28.40%	27.88%	25.40%	23.64%	1
FIDELITY	21.33%	13.70%	25.48%	25.66%	28.13%	22.86%	3
FIRST	10.96%	10.14%	29.16%	17.91%	17.41%	17.12%	7
GTB	13.32%	9.92%	19.55%	18.48%	19.23%	16.10%	8
SKY Bank	13.73%	6.54%	11.96%	14.15%	15.99%	12.47%	11
STANBIC	28.45%	23.78%	22.16%	22.77%	20.81%	23.59%	2
STERLING	21.10%	16.60%	12.79%	10.77%	10.14%	14.28%	9
UBA	5.59%	14.95%	12.38%	13.40%	13.10%	11.88%	12
UNION	18.49%	15.59%	12.27%	-27.56%	-16.08%	0.54%	14
UNITY	12.43%	8.03%	0.49%	-4.13%	9.39%	5.24%	13
WEMA	14.25%	14.07%	-25.30%	-31.87%	7.30%	-4.31%	15
ZENITH	15.41%	12.76%	20.14%	20.87%	19.58%	17.75%	6

Table 3: Non-Performing Loans and Advances as a Share of Total Loans and Advances

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	14.96%	9.97%	3.92%	17.14%	7.75%	10.75%	6
DIAMOND	5.13%	7.52%	1.60%	20.94%	15.80%	10.20%	5
ECO Bank	3.23%	9.73%	47.89%	48.78%	27.81%	27.49%	12
FCMB	43.28%	3.28%	2.84%	9.51%	4.10%	12.60%	7
FIDELITY	20.06%	8.92%	3.88%	13.71%	43.75%	18.06%	10
FIRST	7.12%	7.91%	1.12%	8.66%	8.82%	6.73%	3
GTB	3.49%	2.01%	1.77%	13.03%	7.30%	5.52%	2
SKY Bank	27.53%	5.45%	3.81%	21.75%	12.88%	14.28%	9
STANBIC	24.22%	14.02%	7.39%	15.95%	7.25%	13.77%	8
STERLING	30.40%	31.34%	10.94%	28.52%	11.72%	22.58%	11
UBA	13.97%	4.40%	3.84%	7.30%	7.06%	7.31%	4
UNION	20.33%	18.93%	26.58%	103.25%	57.12%	45.24%	13
UNITY	73.90%	104.74%	111.00%	67.64%	17.22%	74.90%	14
WEMA	78.74%	30.77%		244.12%	96.87%	112.63%	15
ZENITH	1.16%	1.84%	2.25%	6.93%	6.26%	3.69%	1

Table 4: Total Loans and Advances as a Share of Total Assets

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	32.22%	32.79%	23.70%	55.65%	55.46%	39.96%	7
DIAMOND	35.61%	30.87%	38.36%	49.07%	53.78%	41.54%	3
ECO Bank	39.59%	37.31%	33.51%	51.66%	50.88%	42.59%	1
FCMB	17.89%	31.80%	40.10%	51.48%	61.04%	40.46%	5
FIDELITY	32.22%	32.35%	43.28%	42.67%	33.16%	36.74%	8
FIRST	32.95%	28.73%	37.56%	57.69%	51.98%	41.78%	2
GTB	27.36%	23.77%	45.08%	52.76%	52.82%	40.36%	6
SKY Bank	41.77%	25.30%	31.39%	51.07%	57.18%	41.34%	4
STANBIC	45.19%	26.15%	28.64%	33.52%	44.07%	35.51%	9
STERLING	36.87%	32.16%	27.82%	38.00%	38.26%	34.62%	10
UBA	12.59%	29.05%	26.68%	38.78%	39.74%	29.37%	13
UNION	22.42%	24.10%	26.99%	36.56%	21.14%	26.24%	15
UNITY	32.34%	19.66%	14.95%	36.63%	39.54%	28.62%	14
WEMA	45.87%	42.24%	37.54	20.06%	19.02%	32.95%	11
ZENITH	32.82%	24.70%	24.62%	42.54%	37.32%	32.40%	12

Table 5: Total Loans and Advances as a Share of Total Deposit

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	48.80%	52.50%	69.53%	88.04%	91.52%	70.08%	2
DIAMOND	53.90%	45.54%	57.33%	66.04%	77.87%	60.14%	7
ECO Bank	62.23%	52.13%	46.64%	75.35%	67.94%	60.86%	6
FCMB	27.13%	44.46%	74.16%	86.88%	96.61%	65.85%	4
FIDELITY	47.38%	39.75%	60.76%	60.40%	48.42%	51.34%	9
FIRST	45.36%	37.67%	66.17%	82.19%	76.45%	61.57%	5
GTB	39.22%	39.10%	92.88%	81.26%	79.02%	66.30%	3
SKY Bank	57.16%	41.90%	49.12%	70.16%	81.83%	60.03%	8
STANBIC	87.73%	109.91%	100.12%	65.12%	87.53%	90.08%	1
STERLING	51.91%	42.98%	35.61%	48.69%	49.84%	45.81%	11
UBA	14.15%	35.67%	32.24%	47.20%	50.87%	36.03%	14
UNION	45.98%	35.79%	37.71%	43.07%	29.83%	38.48%	13
UNITY	46.46%	25.10%	16.21%	40.88%	51.29%	35.99%	15
WEMA	62.73%	54.81%	35.55%	30.21%	31.80%	43.02%	12
ZENITH	50.83%	38.43%	35.62%	60.22%	51.79%	47.38%	10

Table 6: Interest Expenses as a Share of Total Deposit

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	2.23%	2.41%	4.15%	7.02%	4.44%	4.05%	6
DIAMOND	2.99%	4.21%	2.99%	5.37%	3.96%	3.90%	4
ECO Bank	3.45%	2.57%	4.96%	7.81%	4.46%	4.65%	11
FCMB	3.96%	2.74%	3.67%	4.21%	6.48%	4.21%	8
FIDELITY	3.89%	4.13%	1.96%	4.86%	4.19%	3.81%	3
FIRST	1.98%	2.28%	3.37%	4.51%	3.45%	3.12%	1
GTB	3.75%	4.51%	4.78%	5.65%	3.72%	4.48%	10
SKY Bank	4.82%	3.91%	4.09%	11.29%	4.77%	5.78%	12
STANBIC	3.84%	8.28%	18.86%	9.31%	4.27%	8.91%	15
STERLING	5.49%	6.25%	5.66%	12.55%	5.02%	6.99%	14
UBA	3.28%	2.96%	3.16%	4.77%	3.90%	3.61%	2
UNION	2.85%	3.02%	2.84%	5.80%	5.49%	4.00%	5
UNITY	3.11%	3.24%	2.33%	6.96%	5.63%	4.25%	9
WEMA	3.79%	5.24%	6.15%	8.28%	6.50%	5.99%	13
ZENITH	2.66%	3.30%	4.30%	7.45%	2.68%	4.08%	7

Table 7: Operating Expenses as a Share of Total Assets

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	4.99%	3.99%	1.95%	4.05%	5.34%	4.06%	2
DIAMOND	5.39%	5.99%	4.07%	4.53%	7.86%	5.57%	10
ECO Bank	6.93%	4.97%	6.01%	8.61%	6.72%	6.65%	11
FCMB	4.14%	4.06%	2.02%	4.05%	5.35%	3.92%	1
FIDELITY	3.82%	4.16%	2.97%	5.16%	6.12%	4.45%	4
FIRST	6.27%	5.43%	5.34%	3.95%	5.49%	5.30%	8
GTB	4.00%	3.70%	3.86%	4.77%	5.21%	4.31%	3
SKY Bank	6.36%	4.13%	3.51%	6.68%	5.71%	5.28%	6.5
STANBIC	2.30%	2.59%	5.63%	7.50%	8.00%	5.20%	5
STERLING	6.83%	6.95%	5.98%	9.45%	5.84%	7.01%	12
UBA	5.11%	4.03%	3.82%	7.69%	5.76%	5.28%	6.5
UNION	5.32%	5.21%	3.92%	15.38%	7.60%	7.49%	14
UNITY	5.75%	7.01%	7.72%	15.25%	9.98%	9.14%	15
WEMA	7.28%	6.77%	13.03%	9.31%	8.96%	9.07%	13
ZENITH	5.14%	5.13%	5.06%	6.57%	4.98%	5.38%	9

Table 9: Net Interest Income as a Share of Total Assets

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	5.20%	5.14%	3.93%	9.55%	8.17%	6.40%	14
DIAMOND	6.58%	7.95%	5.77%	8.08%	11.70%	8.02%	7
ECO Bank	8.40%	6.09%	7.81%	11.89%	9.62%	8.76%	4
FCMB	5.19%	5.57%	6.43%	5.65%	7.68%	6.10%	15
FIDELITY	6.39%	7.43%	5.53%	10.03%	8.39%	7.55%	13
FIRST	6.92%	6.72%	8.26%	8.19%	8.12%	7.64%	12
GTB	6.99%	6.56%	6.97%	10.87%	9.59%	8.20%	6
SKY Bank	8.31%	6.57%	7.04%	15.87%	9.26%	9.41%	2
STANBIC	6.45%	5.09%	11.74%	12.07%	9.07%	8.88%	3
STERLING	6.97%	8.92%	9.18%	15.85%	9.43%	10.07%	1
UBA	6.72%	6.22%	7.31%	11.67%	7.44%	7.87%	10
UNION	6.59%	7.53%	7.36%	7.91%	9.00%	7.68%	11
UNITY	3.85%	5.78%	6.97%	13.19%	10.07%	7.97%	8
WEMA	8.40%	11.32%	9.63%	8.10%	6.68%	8.83%	5
ZENITH	6.13%	7.02%	8.20%	11.82%	6.62%	7.96%	9

Table 10: Liquid Asset as a Share of Total Asset

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	35.27%	19.27%	13.20%	10.68%	4.03%	16.49%	6
DIAMOND	35.34%	38.25%	16.92%	11.40%	11.09%	22.60%	3
ECO Bank	8.48%	19.37%	9.25%	6.93%	9.12%	10.63%	13
FCMB	16.31%	15.02%	6.64%	3.81%	6.79%	9.71%	15
FIDELITY	31.22%	41.76%	39.31%	36.89%	11.96%	32.23%	2
FIRST	9.19%	28.93%	20.31%	4.62%	5.03%	13.62%	11
GTB	25.01%	32.74%	12.56%	6.30%	15.82%	18.49%	5
SKY Bank	30.39%	14.70%	13.26%	9.25%	8.31%	15.18%	7
STANBIC	30.92%	4.28%	3.31%	5.78%	6.03%	10.06%	14
STERLING	16.13%	9.60%	15.87%	8.84%	4.89%	11.07%	12
UBA	25.54%	14.59%	17.57%	3.92%	8.27%	13.98%	10
UNION	20.56%	19.56%	15.14%	11.47%	5.30%	14.41%	8
UNITY	31.05%	28.70%	12.56%	7.11%	13.21%	18.53%	4
WEMA	12.76%	15.52%	27.96%	7.63%	6.99%	14.17%	9
ZENITH	50.59%	44.32%	37.44%	21.64%	23.39%	35.48%	1

Table 11: Liquid Asset as a Share of Total Customers Deposit

BANK	2006	2007	2008	2009	2010	AVG	RANK
ACCESS	53.43%	30.86%	38.73%	16.90%	6.64%	29.31%	5
DIAMOND	53.50%	56.44%	25.29%	15.34%	16.06%	33.33%	3
ECO Bank	13.33%	27.06%	12.88%	10.11%	12.18%	15.11%	13
FCMB	24.73%	20.99%	12.27%	6.43%	10.75%	15.03%	14
FIDELITY	45.91%	51.33%	55.19%	52.22%	17.46%	44.42%	2
FIRST	12.65%	37.93%	35.78%	6.58%	7.40%	20.07%	10
GTB	35.85%	53.86%	25.87%	9.71%	23.67%	29.79%	4
SKY Bank	41.58%	24.36%	20.74%	12.71%	11.90%	22.26%	9
STANBIC	60.02%	17.99%	11.57%	11.24%	11.98%	22.56%	8
STERLING	22.71%	12.83%	20.32%	11.33%	6.37%	14.71%	15
UBA	28.71%	17.92%	21.23%	4.77%	10.59%	16.64%	12
UNION	42.15%	29.05%	21.15%	13.51%	7.47%	22.67%	7
UNITY	44.61%	36.64%	13.62%	7.93%	17.13%	23.99%	6
WEMA	17.45%	20.13%	26.48%	11.50%	11.69%	17.45%	11
ZENITH	78.36%	68.98%	54.16%	30.63%	32.46%	52.92%	1

Table 12: Group Ranking on Capital Adequacy Parameter

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
RANK	4	5	10	1	3	7	8	11	2	9	12	14	13	15	6

Table 13: Group Ranking on Asset Quality Parameter

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
NPLA to total loans and advances	6	5	12	7	10	3	2	9	8	11	4	13	14	15	1
Total loans and advances to total assets	7	3	1	5	8	2	6	4	9	10	13	15	14	11	12
Average	6.5	4	6	6	9	2.5	4	6.5	8.5	10.	8.5	14	14	13	6.5
Rank	6.5	2.5	4.5	4.5	11	1	2.5	6.5	9.5	15	9.5	13.	13.	12	6.5

Table 14: Group Ranking on Management Quality Parameter

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
Total loans and advances to total deposit	2	7	6	4	9	5	3	8	1	11	14	13	15	12	10
Interest expenses to total deposit	6	4	11	8	3	1	10	12	15	14	2	5	9	13	7
Operating expenses to total assets	1	10	11	1	4	8	3	6.	5	12	6.	14	15	13	9
Average	3	7	9.3	4.3	5.3	4.7	5.3	8.8	7	12.3	7.5	10.7	13	12.7	8.7
Rank	1	6.5	11	2	4.5	3	4.5	10	6.5	13	8	12	15	14	9

Table 15: Group Ranking on Earning Quality Parameter

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
Net income to total assets	10	8	11	5	6	4	1	9	2	12	7	14	13	15	3
Net Interest income to total assets	14	7	4	15	13	12	6	2	3	1	10	11	8	5	9
Average	12	7.5	7.5	10	9.5	8	3.5	5.5	2.5	6.5	8.5	12.5	10.5	10	6
Rank	14	6.5	6.5	11.5	10	8	2	3	1	5	9	15	13	11.5	4

Table 16: Group Ranking on Liquidity Quality Parameter

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
Liquid asset to total asset	6	3	13	15	2	11	5	7	14	12	10	8	4	9	1
Liquid asset to total customers deposit	5	3	13	14	2	10	4	9	8	15	12	7	6	11	1
Average	5.5	3	13	14.5	2	10.5	4.5	8	11	13.5	11	7.5	5	10	1
Rank	6	3	13	15	2	10	4	8	11.5	14	11.5	7	5	9	1

Table 17: Overall Ranking Based on the CAMEL Parameters

	ACCESS	DIAMOND	ECO Bank	FCMB	FIDELITY	FIRST BANK	GTB	SKY Bank	STANBIC IBTC	STERLING	UBA	UNION BANK	UNITY BANK	WEMA BANK	ZENITH
Capital Adequacy Ranking	4	5	10	1	3	7	8	11	2	9	12	14	13	15	6
Asset Quality Ranking	6.5	2.5	4.5	4.5	11	1	2.5	6.5	9.5	15	9.5	13.5	13.5	12	6.5
Management Quality Ranking	1	6.5	11	2	4.5	3	4.5	10	6.5	13	8	12	15	14	9
Earnings Quality Ranking	14	6.5	6.5	11.5	10	8	2	3	1	5	9	15	13	11.5	4
Liquidity Ranking	6	3	13	15	2	10	4	8	11.5	14	11.5	7	5	9	1
Average	6.3	4.5	9	6.8	5.9	5.8	4	7.7	5.9	11.2	10	12.3	11.9	12.3	5.3
Rank	7	2	10	8	5.5	4	1	9	5.5	12	11	14.5	13	14.5	3