SKYE BANK PLC REPORTS A 41% INCREASE IN PROFIT BEFORE TAX IN Q3, 2011 COMPARED WITH H1, 2011

[1]*Unaudited Q3 2011 Financial Results*

LAGOS, NIGERIA- Friday 14, OCTOBER 2011- SKYE BANK PLC (**SKYEBANK** on NSE and **SKYE** on Reuters) operates under the brand name SKYE, with foreign subsidiaries in Sierra Leone, The Gambia, and Guinea, reports third quarter 2011 results.

September 2011 (Q3 - YTD) vs. June 2011 (H1)

- Gross earnings of ₦73.3billion (₦48.9billion June 2011)
- Profit before tax ₦11.7billion (₦8.3billion June 2011)
- Gross Loans & Advances ₦452.7billion (₦410.7billion June 2011)
- Net loans and advances ₦429.6billion (₦384.1billion June 2011)
- A significant increase in Operating Income of 61% QoQ to ₦50.9billion from ₦33billion in June 2011
- A 12.1% rise in total assets from ₦772.4billion in Q2 to ₦865.7billion at the end of Q3

September 2011 (Q3 - YTD) vs. September 2010 (Q3- YTD)

- Gross earnings of ₦73.3 billion, 10.7% increase over the prior year (₦66.2billion September 2010)
- Profit before tax of ₦11.7 billion, a YoY increase of 9.3% (₦10.7billion September 2010)
- Operating Income up by 10.2% to ₦50.9billion (₦46.2 billion September 2010)
- Profit after tax of ₦9.4 billion (₦8.5billion September 2010)

September 2011 (9 months) vs. December 2010 (12 months)

- Total assets up 10.5% to ₦865.7billion (₦705.9billion December 2010)
- Net loans & advances increased 11.4% to ₦429.6billion (₦385.6billion December 2010)
- Gross loans and advances at ₦452.7billion, an 8.4% year to date increase (₦417.6billion December 2010)
- Deposits at ₦567.1billion up 19.4% (₦475.1billion December 2010)

[1] Comparison of unaudited Financial Results is based on the Group figures.

Announcing the results, the Group Managing Director/CEO of Skye Bank Plc, Mr. Kehinde Durosinmi-Etti, remarked that:

"Our gross earnings increased 49.7% to ₦73.3 billion, from ₦48.9 billion at the end of the second quarter; and Profit Before Tax increased from ₦8.3 billion to ₦11.7 billion(41%) respectively, nothwithstanding the very challenging operating environment the Bank faced in the course of the year. This performance reflects our deliberate actions in the areas of earnings diversification and change of focus in the identified market segments in which the bank now operates."

A 10% growth in loans and advances was recorded between the second and third quarters and is consistent with our quest for creation of quality assets. We expect this trend to be sustained in the last quarter of the financial year.

We would maintain our business focus in the commercial and corporate segments using appropriate platforms to intensify sustainable relationships."

Performance Highlights

- Gross earnings of ₦73.3billion in September 2011
- Operating Income stood at ₦50.9billion a 52% increase from ₦33.4billion in June 2011
- Deposits increased by 19.4% from ₦475.1billion in December 2010
- 10% loan growth year to date.
- PBT increased by 41% in September 2011 over H1

Ratios

- Return on average equity (after tax) of 11.8% (from 10.4% in 2010)
- Net Interest Margin of 7.7%
- Liquidity Ratio of 32.6%
- Cost to Income ratio of 72.4% (67.4% December 2010)
- Loan to Deposit ratio of 75.3%
- Non-Performing Loans ratio is 4.99% (12% December 2010)

Forward Looking Statement

While we acknowledge the various challenges in the industry through the year, we expect to maintain the loan growth pattern and contain cost of funds in order to hedge against the downside risks in interest rate fluctuations.

Furthermore, the Bank would maintain focus on increased business volumes and organic growth. Efficiency will continue to be a major benchmark for exceptional performance which the Bank has imbibed for the short, medium and long term to ensure maximum returns on investment.