

FCMB Group Plc announces a Profit before Tax of N5.6 billion for the first quarter, ended 31 March 2014, up 15% from prior year¹

LAGOS, NIGERIA – 4 MAY 2014: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its group results, for the first quarter ended 31 March 2014.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Profit before tax (PBT) of N5.6 billion for the first quarter 2014, up 15% from N4.8 billion for the same period in 2013.
- ❖ Profit after tax (PAT) of N4.8 bn for the three months period ended March 2014, up 14% from N4.2 billion for the same period in 2013.
- ❖ Net interest income of N16.4 billion, for Q1 2014, an increase of 25% Year-on-Year (YoY), from N13.1 billion for Q1 2013.
- ❖ Operating expenses up 11% YoY to N15.5 billion, for the first quarter 2014, from N14.0 billion for the first quarter 2013.

Financial Position:

- ❖ Loans and advances up 50% YoY to N493.7 billion (N329.0 billion as at March 2013) and up Quarter-on-Quarter (QoQ) by 10% (N450.5 billion as at December 2013).
- ❖ Total assets increased by 11% YoY to N992.4 billion (N895.2 billion as at March 2013), but fell by 2% QoQ (N1.0 trillion as at December 2013).
- ❖ Customer deposits rose 9% YoY to N687.3 billion (N628.4 billion as at March 2013), but dropped 4% QoQ (N715.2 billion as at December 2013).

Key Ratios

- ❖ Net Interest Margin - 8.9% (8.2% for 1Q13).
- ❖ Low-cost deposit mix – 74.8% (67.2% for 1Q13).
- ❖ Loan to Deposit Ratio - 71.8% (52.4% for 1Q13).
- ❖ Cost to Income Ratio - 69.4% (72.8% for 1Q13).
- ❖ Non-performing loans to total loans ratio – 4.1% (3.3% for 1Q13).
- ❖ Cost of Risk – 1.0% (0.4% for 1Q13).
- ❖ ROaE – 13.2% (12.4% for 1Q13).
- ❖ ROaA – 1.9% (2.2% for 1Q13).
- ❖ Earnings per share – 97k (85k for 1Q13).

¹ The first quarter 2014 (1Q14) results are for FCMB Group Plc and its subsidiaries, while all references to “prior or previous year”, refer to figures for FCMB (Bank) and its subsidiaries as at those dates (i.e. prior to re-organisation into FCMB Group Plc).

Commentary:

Mr. Peter Obaseki, Managing Director of FCMB Group Plc, had this to say about the results:

“The Group reported positive developments in most of its key operating areas. On the Group’s statement of comprehensive income, operating income rose by 16% from N19.3 billion in 1Q13 to N22.3 billion in 1Q14, operating expenses also rose by 11% from N14.0 billion in 1Q13 to N15.5 billion in 1Q14 and pre-tax profits rose 15% to N5.6 billion.

It is also noteworthy that the investment banking group’s contribution to the Group’s pre-tax profits increased in 1Q14. FCMB Capital Markets Limited and CSL Stockbrokers reported pre-tax profits of N198 million, 128% higher than the same period in 2013.”

Mr. Ladi Balogun, Group Managing Director/ CEO of FCMB Ltd, commented on the results thus:

“The commercial & retail banking arm of the Group made a profit before tax of N5.5 billion up by 13% from the profit of N4.8 billion in the first quarter of 2013. On our statement of financial position, total deposits increased by 9%, growing from N628.4 billion in 1Q13 to N687.3 billion in 1Q14, but fell by 4% from the December 2013 figure of N717.4 billion due to expected reductions in wholesale deposits. Our total loans grew from N329.0 billion in 1Q13 to N493.3 billion in 1Q14 - a growth of 50%. This growth was supported by our retail business that witnessed a 90% loan growth, from the same period in 2013, to N105.4 billion in 1Q14.

Net interest margin continued to climb to 8.8% on the back of the robust retail loan growth, whilst Return on Average Equity for the commercial and retail banking activities rose to 14.9%. We expect margins, profitability and efficiency ratios to continue to improve in spite of the challenging regulatory environment. We also expect both loan and deposit growth to be robust in subsequent quarters.”

Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Thursday 8 May** at **15.00 Lagos & London/ 10.00 New York/ 16.00 Johannesburg**, with its senior management to review FCMB Group Plc’s Unaudited IFRS-compliant Group Results for the first quarter ended 31 March 2014 and reply to questions from investors and analysts.

The teleconference call facility can be accessed by dialling:

UK Access Number: +44(0)20 3427 1919
USA Access Number: +1 646 254 3365
South Africa Access Number: +27 11 019 7015

And then entering the following confirmation code: **6613673**

Participants will have to quote the above code when dialling into the conference.

Participants can log on to the link for the webcast by going to “Upcoming Events” on FCMB’s Investor Relations homepage, which can be accessed by clicking on <http://www.fcmb.com/investor-relations>

Webcast access on mobile devices - QR code:

For access to the live and on demand webcast from any IOS apple or Android mobile devices:



Participants should please register for the call/ log-on to the webcast at least five minutes before the start of the conference call.

The presentation and all other related documents, for the call, will be posted under “What’s New” on FCMB’s Investor Relations homepage, which can be accessed by clicking on <http://www.fcmb.com/investor-relations> from 10.00 Lagos & London on Thursday 8 May.

For those who are unable to listen to the live call, the recording of the webcast will be available under “Financial Results - 2014” on FCMB’s Investor Relations website, which can be accessed by clicking on <http://www.fcmb.com/investor-relations> The webcast recording will be done in real-time, so it will be available as soon as the conference call & webcast begins at 15.00 Lagos & London on Thursday 8 May.

For further information, please contact:

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Notes to editors:**About FCMB Group Plc**

FCMB Group Plc is a non-operating financial holding company, regulated by the Central Bank of Nigeria (“CBN”). FCMB Group Plc was formed in response to the CBN’s regulation on the scope of banking activities and ancillary matters (“Regulation 3”), which requires banks to divest their non-banking businesses, or retain them under a holding company (“Hold Co.”) structure approved by the CBN. Under the HoldCo. arrangement, shares in First City Monument Bank (FCMB) Plc were exchanged one-for-one for FCMB Group Plc shares, effectively making the former shareholders of FCMB Plc, the owners of FCMB Group Plc, in the same ratio as their previous holdings in the bank. FCMB Group Plc is one of the leading financial services institutions in Nigeria, with subsidiaries that are market leaders in their respective segments. Through ownership of FCMB Group Plc, shareholders continue to own all the subsidiaries 100%, including FCMB Capital Markets Limited, CSL Stockbrokers Limited (including its subsidiaries First City Asset Management Ltd and CSL Trustees Ltd) and FCMB Limited (the bank) and its subsidiaries – Credit Direct Limited, FCMB (UK) Limited and Arab-Gambia Islamic Bank Limited.

From a structural perspective, FCMB Group Plc directly and wholly-owns three subsidiaries, namely First City Monument Bank Limited, FCMB Capital Markets Limited and CSL Stockbrokers Limited, the other aforementioned entities will report into the three direct subsidiaries.

FCMB Group Plc is listed on the Nigerian Stock Exchange (NSE) with the ticker symbol (FCMB) and has 19,802,710,781 ordinary shares held by approximately 530,000 shareholders. FCMB Group Plc and its subsidiaries each function as separate and distinct operating companies with separate Boards of Directors and Executives.

FCMB Group Plc’s strategy is to position itself as the premier financial services group of African origin. At the centre of its businesses lies a talented work-force that drives a comprehensive bouquet of financial services including micro-lending, asset management, stock-broking, trusteeship and custodial services, foreign exchange, personal banking, corporate and commercial banking, investment banking (including financial advisory, debt & equity capital markets, project & structured finance transactions) and transaction banking products delivering cash management, trade and liquidity management solutions to corporate, commercial, public sector, financial institutions and small & medium-scale enterprises.

First City Monument Bank Limited completed the acquisition of FinBank Plc in February 2012 and subsequently merged with FinBank in October 2012. Following the merger, the Bank now has 2 million customers, 275 branches and cash-centres spread across every state of the Federal Republic of Nigeria and a presence in Gambia, the Republic of South Africa (representative office) and in the United Kingdom through FCMB UK (which is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA in the United Kingdom).

More information can be found at www.fcmb.com
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