

FCMB Group Plc announces a Profit before Tax of N23.9 billion for the full-year, ended 31 December 2014, up 32% from prior year and a proposed dividend of 25k per share

LAGOS, NIGERIA – 23 MARCH 2015: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Audited IFRS-Compliant Group Results, for the full-year ended 31 December 2014.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Profit before tax (PBT) of N23.9 billion for the full-year 2014, up 32% from N18.2 billion for the full-year 2013.
- ❖ Profit after tax (PAT) of N22.1 billion for the year ended December 2014, up 38% from N16.0 billion for the year ended December 2013.
- ❖ Net interest income of N72.6 billion, for the full-year 2014, an increase of 26% Year-on-Year (YoY), from N57.8 billion for the full-year 2013.
- ❖ Non-interest income of N28.1 billion, for the year ended December 2014, an increase of 7% YoY from N26.2 billion, for the year ended December 2013.
- ❖ Operating expenses up 14% YoY to N66.3 billion, for the full-year 2014, from N58.2 billion for the full-year 2013.

Financial Position:

- ❖ Loans and advances up 37% YoY to N618.0 billion in December 2014 (N450.5 billion in December 2013).
- ❖ Total assets up 16% YoY to N1.2 trillion in December 2014 (N1.0 trillion in December 2013).
- ❖ Customer deposits up 3% YoY to N733.8 billion in December 2014 (N715.2 billion in December 2013).

Key Ratios

- ❖ Non-performing loans to total loans ratio – 3.6% (3.9% for full year 2013).
- ❖ Net Interest Margin – 9.1% (7.9% for full year 2013).
- ❖ Loan to Deposit Ratio – 84.2% (63.0% for full year 2013).
- ❖ Cost to Income Ratio – 65.8% (69.0% for full year 2013).
- ❖ Cost of Risk – 1.8% (1.4% for full year 2013).
- ❖ Low-cost deposit mix – 68.0% (73.9% full year 2013).
- ❖ ROaE – 14.6% (11.6% for full year 2013).
- ❖ ROaA – 2.0% (1.7% for full year 2013).
- ❖ Earnings per share – 112k (81k for full year 2013).
- ❖ Proposed dividend payment of 25 kobo per share for the full year 2014.

- ❖ Dividend yield 10.04% (8.13% for full year 2013).

Commentary:

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

“The results for full year 2014 reflect solid momentum in our businesses as our key earning metrics grew at double digits: profit before tax was N23.9 billion while profit after tax came in at N22.1 billion with growth on 2013 full year of 32% and 38% respectively. Net interest income grew by 26% to N72.6 billion.

Our return on average equity is trending upwards at 14.6% compared to 11.6% for full year 2013; the investment banking business saw a PBT growth of 126%, mainly driven by debt structuring and financial advisory services; based on these, a dividend of 25 kobo per share is proposed, translating into a dividend yield of 10.04%. The future outlook remains positive despite regulatory and macro-economic challenges; our capital buffers remain strong, and we will intensify the contribution from the non-banking businesses, especially in the wealth management space”.

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

“Our commercial and retail banking activities continue to be the key driver of group performance, with 26% growth in profit before tax. Specifically, the growth in our retail banking activities enabled us to not only attain industry leading margins but also deliver 37% loan growth. Furthermore, marketing and service excellence enabled us acquire 500,000 new retail customers in 2014. Our modest deposit growth of 3% overall was attributable to a switch in our wholesale funding mix at the margin from deposits to stable long term borrowings. We successfully closed a N26 billion Tier 2 bond issue at a fixed rate of 14.25% for 7 years and further grew bilateral and syndicated borrowings by N40 billion.

The strong rally in earnings in the fourth quarter of 2014, coinciding with a significant fall in oil prices and government revenue, prompted us to take the prudent and pre-emptive measure of growing our loan loss provisions. An annual cost of risk of 1.8% (up from 1.4% in 2013) was recorded and this led to a non-performing loan ratio of 3.6% (2013: 3.9%). In spite of the significant loan growth, our capital adequacy ratio was enhanced in Q4 2014 to 19% as a result of the N26 billion Tier 2 Capital raise. This puts us in a comfortable position to tackle the risks and support the anticipated growth over the next year.

2015 promises to be another interesting year, albeit a challenging one, due to the macroeconomic and political uncertainties. We will remain focused on improving operating efficiency and net interest margins, whilst also continuing with our steady customer acquisition drive and migration to alternate service and distribution channels. Naturally, an emphasis on alternate channels also aligns with the efficiency drive by reducing our cost to serve and ultimately enhancing our cost-to-income ratio. We will seek to moderate cost of risk by consolidating our risk acceptance criteria in an increasingly high-risk environment, while focusing on deposit growth. Overall, we are confident our progress will be sustained, as we continue to grow our market share, and improve our margins and efficiency ratios.”

Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Friday 27 March** at **15.00 Lagos/ 14.00 London/ 10.00 New York/ 16.00 Johannesburg**, with its senior and divisional management to review FCMB Group Plc's Audited IFRS-Compliant Group Results for the full-year ended 31 December 2014 and reply to questions from investors and analysts.

The teleconference call facility can be accessed by dialling:

Nigeria Access Number: +234 (0) 1 277 0570
UK Access Number: +44 (0) 203 427 1906
USA Access Number: +1 212 444 0481
South Africa Access Number: +27 11 019 7074

And then entering the following confirmation code: **6231197**

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 the 'Upcoming Events' or 'What's New' sections on FCMB's Investor Relations homepage, which can be accessed by clicking on <http://www.fcmbgroupplc.com/index.php/investor-relations>

Webcast access on mobile devices - QR code:

For access to the live and On-Demand version of the webcast from mobile devices running iOS and Android:



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 the 'What's New' section on FCMB's Investor Relations homepage, which can be accessed by clicking on

<http://www.fcmbgroupplc.com/index.php/investor-relations> from 15.00 Lagos/ 14.00 London on Thursday 26 March.

For those who are unable to listen to the live call, the recording of the webcast will be available under 'Financial Results – 2014' by clicking on the 'Financial Information' tab on FCMB's Investor Relations website, which can be accessed by clicking on <http://www.fcmbgroupplc.com/index.php/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/ 14.00 London on Friday 27 March.

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 ("HoldCo.") 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 subsidiary First City Asset Management Ltd), CSL Trustees Ltd and FCMB Limited (the bank) and its subsidiaries – Credit Direct Limited and FCMB (UK) Limited.

From a structural perspective, FCMB Group Plc directly and wholly-owns four subsidiaries, namely First City Monument Bank Limited, FCMB Capital Markets Limited, CSL Stockbrokers Limited and CSL Trustees Limited, the other aforementioned entities report into the four 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 523,400 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 has 2.7 million customers and 248 branches and cash-centres spread across every state of the Federal Republic of Nigeria 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.fcmbgroupplc.com
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