



FCMB Group Plc announces a Profit before Tax of N7.8 billion for the full-year ended 31 December 2015 and a proposed dividend of 10k per share.

LAGOS, NIGERIA – 29 MARCH 2016: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Audited Group Results, for the full-year ended 31 December 2015.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Revenue of N152.5 billion for the full year ended December 2015, an increase of 3% from N148.6 billion for the same period prior year.
- ❖ Profit before tax (PBT) of N7.8 billion for the full year ended December 2015, down 68% from N23.9 billion for the full year 2014.
- ❖ Net interest income of N63.9 billion, for the full year ended December 2015, a decline of 12% Year-on-Year (YoY), from N72.6 billion for the same period prior year.
- ❖ Fees and commissions up 10% to N15.8 billion, from N14.4 billion for same period prior year.
- ❖ Other income fell by 31% for the same period prior year, to N8.8 billion, largely driven by a reduction of N4.3 billion in foreign exchange gains.
- ❖ Impairments up 41.3% YoY to N15.0 billion for the full year 2015, from N10.6 billion for the same period prior year. This growth is due to an exceptional charge of N5.4 billion on a legacy receivable asset and a significant loan impairment of N6.2bn related to a customer, both reported in 3Q15.
- ❖ Operating expenses up 1% YoY to N67.0 billion, for the full year ended December 2015, from N66.3 billion for the same period prior year.

Financial Position:

- ❖ Loans and advances down 4% YoY to N593.0 billion in December 2015 (N618.0 billion in December 2014).
- ❖ Total assets down 1% YoY to N1.16 trillion in December 2015 (N1.17 trillion in December 2014).
- ❖ Customer deposits down 5% YoY to N700.2 billion in December 2015 (733.8 billion in December 2014).

Key Ratios:

- ❖ Capital Adequacy Ratio – 17.0% (20.6% for full year 2014).
- ❖ Liquidity Ratio – 35.9% (33.3% for full year 2014).
- ❖ Loan to Deposit Ratio – 84.7% (84.2% for full year 2014).
- ❖ Cost to Income Ratio – 74.8% (65.8% for full year 2014).
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 4.2% (3.6% for full-year 2014).
- ❖ Earnings per share – 24k (112k for full year 2014).
- ❖ Proposed dividend payment of 10 kobo per share for the full year 2015.



Commentary:

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

"Full year 2015 result, came in with profit after tax of N4.8 billion; although underlying top-line and sustainable revenue momentum remains strong and in line with our strategic thrust. Key soundness ratios, including liquidity and capital buffers were maintained in a rather challenging operating environment within all the operating companies. The clear and direct future challenge is to unlock more value to shareholders by tackling operational efficiencies and accelerating the pace of retail momentum, not just in the bank but also in microfinance and wealth management.

The outlook for our Capital Markets businesses is highly dependent on the investment climate, which appears downbeat for now; but we are positioned to seize the available opportunities as they emerge and shape new transactions through advisory services to governments and the private sector.

We are recommending a dividend of 10 kobo per share, translating to a yield of 12.2% from the holding company while keeping the operating companies' capital intact; this is in line with our objective of steady dividend payment subject to internal prudential capital threshold, above regulatory limits."

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

"The commercial and retail banking arm of the group saw a significant drop in profitability for the full year to N6.5 billion PBT, following the impairments from two significant defaulting obligors reported in our Q3 audited results. The full year's performance was also adversely affected by a 44% drop in foreign exchange income and a 12% drop in net interest income, largely caused by foreign exchange policy and the impact of rising cash reserve requirement ratios till Q4. The strong turnaround witnessed in Q4 PBT was driven largely by recoveries in the retail book, improving net interest margins in Q4 and strong fees and commissions throughout the year.

In spite of the challenging policy and macroeconomic environment, we believe that these trends will continue, and we will witness a steady improvement in performance indices in 2016 as our retail and transaction banking activities continue to evolve positively, our loan recovery efforts yield results and our efficiency drive gathers more momentum."

Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Thursday 31 March at 15.00 Lagos & London/ 10.00 New York/ 16.00 Johannesburg**, with its senior and divisional management to review these Results and respond to questions from investors and analysts.

The teleconference call facility can be accessed by dialling:

Nigeria Access Number: +234 (0) 708 060 1884
UK Access Number: +44 20 3427 1915
USA Access Number: +1 646 254 3365



South Africa Access Number: +27 (0) 800 991 539

And then entering the following confirmation code: 9184017

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

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 www.fcmbgroupplc.com/investor-relations

Webcast access on mobile devices - QR code:

Access 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 www.fcmbgroupplc.com/investor-relations from 10.00 (Lagos & London) on Thursday 31 March.

For those who are unable to listen to the live call, the recording of the webcast will be available under 'Financial Results – 2015' by clicking on the 'Financial Information' tab on FCMB's Investor Relations website, which can be accessed by clicking on www.fcmbgroupplc.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 31 March.

For further information, please contact:

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Notes to editors:

About FCMB Group Plc

FCMB Group Plc's roots date back to 1977, with the formation of City Securities Limited (CSL), a stockbroking and issuing house and registrar business. CSL rapidly climbed the league of issuing houses and brokers between 1977 and 1982, handling the listings and initial public offers of many of the leading blue-chip companies on the Nigerian Stock Exchange (NSE). First City Merchant Bank Limited was established in 1982 with seed capital from the success of CSL. It began operations as a licensed deposit taker and merchant bank on 11 August 1983 assuming the corporate finance and issuing house activities of CSL and becoming the first Nigerian merchant bank to be established without government or international support. First City Merchant Bank Limited soon became a leading merchant bank in Nigeria, as measured by profitability, and, in 2000, the first and only merchant bank to achieve N1 billion profit. With the advent of universal banking in 2001, First City Merchant Bank Limited converted into a universal bank. It changed its name to First City Monument Bank Limited and commenced commercial banking activities, while its corporate finance activities were spun-off into a new subsidiary – FCMB Capital Markets Limited.

In 2004, the bank changed status from a private limited liability company to a public limited liability company, and was listed on the NSE in December of that year. In 2010, the Central Bank of Nigeria (CBN) issued Regulation 3 (Scope of Banking Activities and Ancillary Matters, No. 3, 2010), which required banks to divest their non-banking businesses or retain them under a CBN-approved financial group structure. As a result of this reorganisation, the newly created FCMB Group Plc became the holding company, with First City Monument Bank Plc (FCMB Plc), CSL Stockbrokers Limited (CSLS) and FCMB Capital Markets Limited (FCMB-CM) as direct subsidiaries. Shareholders of FCMB Plc were also migrated to FCMB Group Plc via a one-for-one share exchange between FCMB Group Plc and FCMB Plc. FCMB Plc, the bank, was thereafter re-registered as a limited liability company, becoming First City Monument Bank Limited (FCMB Limited). In 2014, CSL Trustees Limited also became a direct subsidiary of FCMB Group Plc.

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 over 522,000 shareholders. FCMB Group Plc and its subsidiaries each function as separate and distinct operating companies with separate Boards of Directors and Executives.

First City Monument Bank Limited has approximately 3 million customers and 225 branches spread across every state of the Federal Republic of Nigeria and in the United Kingdom through FCMB Bank (UK) Limited (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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