



FCMB Group Plc announces a Profit before Tax of N16.3 billion for the half year ended 30 June 2016.

LAGOS, NIGERIA – 29 JULY 2016: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results, for the half year ended 30 June 2016.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Gross revenue of N88.3 billion for the half-year ended June 2016, a 14% increase from N77.4 billion for the same period prior year.
- ❖ Non interest income of N26.0 billion, for the six-months ended June 2016, an increase of 110% Year-on-Year (YoY), from N12.4 billion for the same period prior year. This increase was mainly driven by a 367% YoY increase in FX income, from N3.9 billion for the half-year ended June 2015, to N18.3 billion for the half-year ended June 2016.
- ❖ Net impairment on loans up 99% YoY to N8.9 billion for the six-months ended June 2016, from N4.5 billion for the same period prior year, primarily due to delayed salary payments and oil and gas exposures.
- ❖ Operating expenses, were down 3% YoY to N32.7 billion, for the half-year ended June 2016.
- ❖ Profit before tax (PBT) of N16.3 billion for the six-months ended June 2016, up 70% from N9.6 billion for the six-months ended June 2015.

Financial Position:

- ❖ Loans and advances grew 17% Quarter-on-Quarter (QoQ) to 657.0 billion in June 2016 (N561.6 billion in March 2016).
- ❖ Total assets increased 13% QoQ to N1.3 trillion in June 2016 (N1.1 trillion in March 2016).
- ❖ Customer deposits were up 5% QoQ to N689.4 billion in June 2016 (657.2 billion in March 2016).

Key Ratios:

- ❖ Capital Adequacy Ratio – 16.1% (18.5% for first quarter 2016).
- ❖ Liquidity Ratio – 35.9% (38.2% for first quarter 2016).
- ❖ Loan to Funding Ratio – 71.9% (65.7% for first quarter 2016).
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 4.7% (4.8% for first quarter 2016).
- ❖ Cost to Income Ratio – 40.3% (74.2% for first quarter 2016).
- ❖ Net Interest Margin – 9.2% (8.8% for first quarter 2016).
- ❖ Earnings per share – 283k (33k for first quarter 2016).



Commentary:

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

"Our group's half year 2016 profit before tax came in at N16.3 billion, up 70% on same period in 2015 and driven largely by treasury upsides, cost optimisation and sustained momentum in the commercial and retail banking group.

In the second quarter, revaluation gains on realised foreign currency investments, at group-level, translated to slightly over N2bn in revenue. The investment banking business continued to face challenges arising from the sustained lull in both equity and debt capital markets while the wealth management businesses showed consistency and resilience over the last two quarters.

Key prudential and soundness ratios, including liquidity ratio of 35.9% and capital adequacy of 16.1% continue to hold-up; we expect capital to strengthen through internal capitalisation of profits in due course and other measures in line with our capital plan.

We see more headwinds in the second half of the year, as we enter a high inflation and interest rate environment with implications for consumers and borrowers; our overall stance will therefore be conservative while we drive up execution in the low-risk segments of the portfolio."

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

"The bank witnessed improved operating performance in spite of the multiple challenges faced by the economy and banking sector. The most significant driver of earnings growth was the N9.1bn exchange gains from our dollar balance sheet. In addition our personal and SME banking segments have exhibited resilient profit growth (in excess of 442% or N7.4bn, year on year) driven by electronic banking revenue and strong customer acquisition, now at 60,000 a month. Greater cost discipline has also resulted in improved operating efficiency. Performance was otherwise dampened by a YoY increase of N9.2bn provisions for non-performing loans and other known losses.

We expect that loan impairments will remain elevated in the second half of the year but will be cushioned by continued momentum in revenues and efficiency gains from cost optimisation measures taken earlier in the year."

Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Wednesday 3 August 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:

UK Access Number: +44 203 140 8286

USA Access Number: +1 646 254 3363



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

And then entering the following confirmation code: **1292443**

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 13.00 (Lagos & London) on Wednesday 3 August.

For those who are unable to listen to the live call, the recording of the webcast will be available under 'Financial Results – 2016' 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 Wednesday 3 August.

For further information, please contact:

Ori Rewane: Head - Investor Relations, FCMB Group Plc

Tel: +234 (0) 1 279 3030 and +234 (0) 1 279 30 33

Email: orihoye.rewane@fcmb.com

Patrick Iyamabo: Chief Financial Officer, FCMB Group Plc

Email: patrick.iyamabo@fcmb.com



OR institutionalinvestorrelations@fcmb.com

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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 3.4 million customers and 205 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

FCMB Group Plc, First City Plaza, 44 Marina, Lagos, Nigeria.

Tel: +234 (0) 1 279 3030 and +234 (0) 1 279 30 33.