



## **FCMB Group Plc announces a Profit before Tax of N14.2 billion for the nine-months ended 30 September 2016.**

LAGOS, NIGERIA – 24 NOVEMBER 2016: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results (though containing the Bank’s Audited Results), for the nine-months ended 30 September 2016.

### **Financial Performance Highlights:**

#### **Earnings Analysis:**

- ❖ Gross revenue of N140.7 billion for the nine-months ended September 2016, a 29% increase from N109.3 billion for the same period prior year.
- ❖ Non-interest income of N44.8 billion, for the nine-months ended September 2016, an increase of 128% Year-on-Year (YoY), from N19.6 billion for the same period prior year. This increase was mainly driven by a 612% YoY increase in FX income, from N5.0 billion for the nine-months ended September 2015, to N35.3 billion for the nine-months ended September 2016.
- ❖ Net impairment on loans up 206% YoY to N31.3 billion for the nine-months ended September 2016, from N10.2 billion for the same period prior year, primarily due to oil and gas exposures and delayed salary payments.
- ❖ Operating expenses, were down 2% YoY to N49.3 billion, for the nine-months ended September 2016.
- ❖ Profit before tax (PBT) of N14.2 billion for the nine-months ended September 2016, up 453% from N2.6 billion for the nine-months ended September 2015.

#### **Financial Position:**

- ❖ Loans and advances were flat Quarter-on-Quarter (QoQ) to N657.1 billion in September 2016 (N657.0 billion in June 2016).
- ❖ Total assets was down 4% QoQ to N1.2 trillion in September 2016 (N1.3 trillion in June 2016).
- ❖ Customer deposits fell by 4% QoQ to N664.3 billion in September 2016 (N689.3 billion in June 2016).

#### **Key Ratios:**

- ❖ Capital Adequacy Ratio – 17.6% (18.3% for 9M15).
- ❖ Liquidity Ratio – 36.8% (35.8% for 9M15).
- ❖ Loan to Funding Ratio – 67.6% (65.1% for 9M15).
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 3.4% (5.8% for 9M15).
- ❖ Cost to Income Ratio – 50.3% (73.9% for 9M15).



- ❖ Net Interest Margin – 8.4% (8.3% for 9M15).
- ❖ Earnings per share – 87k (67k for 9M15).

**Commentary:**

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

*"The audited nine months results for the period ended September 2016, reflects our focus on key soundness ratios and the need to maintain buffers against a sustained adverse operating environment. Accordingly, capital adequacy and liquidity ratios have held up at 17.6% and 36.8%, respectively. Underlying revenue momentum remains strong while cost optimisation programme led to a 2% YoY drop in operating expenses, despite inflationary spiral. Overall, profit before tax came in at N14.2bn, a 453% growth, translating to an EPS of 87 kobo, up 30.6%, YoY, respectively.*

*The macro economic conditions in the final quarter remains challenging; we will keep up a conservative stance."*

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

*"The audited results of the bank reveal that the extraordinary performance of Q2 2016 offset the loss recorded in Q3 of N2.4 billion, thereby resulting in strong year on year profit growth of 913%. In order to avoid an unsustainable, non-cash, spike in earnings from further revaluation gains in Q3, the bank also significantly stepped up its loan loss provisions. The macroeconomic climate is taking a significant toll on the bank's borrowing customers across all segments. Accordingly, the bank will maintain high provision coverage ratios (currently 131%), continue to strengthen our capital adequacy ratio (currently 16.9%) and our liquidity ratio (currently 36.8%). While our prudential ratios should continue to strengthen into Q4 (modestly buoyed by a tier 2 capital injection of N7.5bn in November), we do not anticipate improvement in the fourth quarter earnings. Nonetheless, we are pleased with the gains we continue to record in growing our business in areas such as retail banking (with a 315% YoY growth in profitability) and increasing our share of banking activities in the agricultural sector. In spite of the fact that we have seen several revenue lines diminish due to external factors - as we build a more resilient balance sheet, we will be well positioned for a strong rebound in core earnings in the medium term."*

### Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Friday 25 November at 15.00 Lagos/ 14.00 London/ 09.00 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 (0) 203 427 1905

USA Access Number: +1 646 254 3362

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

And then entering the following confirmation code: **8398105**

*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](http://www.fcmbgroupplc.com/investor-relations)

**Webcast access on mobile devices - QR code:**

Access the live and on-demand versions 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](http://www.fcmbgroupplc.com/investor-relations) from 13.00 (Lagos)/ 12 noon (London) on Friday 25 November.

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](http://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)/ 14.00 (London) on Friday 25 November.



**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**

RC No: 1079631

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](http://www.fcmbgroupplc.com)

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Dr. Jonathan Long (Chairman), Mr. Peter Obaseki (Managing Director), Mr. Ladi Balogun (Non-Executive Director), Mr. Bismarck Rewane (Non-Executive Director Independent), Mr. Martin Dirks (Non-Executive Director), Alhaji Mustapha Darcida (Non-Executive Director), Mr. Olusegun Odubogun (Non-Executive Director Independent), Mr. Olutola Oluseni Mobolurin (Non-Executive Director), Prof. Oluwatoyin Ashiru (Non-Executive Director), Dr. (Engr.) Gregory Omosigho Ero (Non-Executive Director).