



**FCMB Group Plc announces a Profit before Tax of N16.3 billion for the full-year ended 31 December 2016 and a proposed dividend of 10k per share.**

LAGOS, NIGERIA – 28 MARCH 2017: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Audited Group Results for the full-year ended 31 December 2016.

**Financial Performance Highlights:**

**Earnings Analysis:**

- ❖ Gross revenue of N176.4 billion for the year ended December 2016, a 16% increase from N152.5 billion for the same period prior year.
- ❖ Non-interest income of N47.7 billion, for the twelve-months ended December 2016, an increase of 86% Year-on-Year (YoY), from N25.6 billion for the same period prior year. This increase was mainly driven by N29.3 billion in FX revaluation gains.
- ❖ Net impairment on loans up 288% YoY to N31.8 billion for the year ended December 2016, from N8.2 billion for the same period prior year, primarily due to deterioration in the loan book which was caused by oil revenue shocks, delayed salary payments for government workers (affecting the micro-lending business) and poor macroeconomic indices.
- ❖ Operating expenses, were down 2% YoY to N65.8 billion, for the twelve-months ended December 2016, in spite of the high inflationary environment.
- ❖ Profit before tax (PBT) of N16.3 billion for 2016, up 109% from N7.8 billion for 2015.

**Financial Position:**

- ❖ Loans and advances up 11% YoY to N660 billion in December 2016 (N593 billion in December 2015). The increase was driven largely by revaluation of FX-denominated facilities.
- ❖ Total assets up 1% YoY to N1.17 trillion in December 2016 (N1.16 trillion in December 2015).
- ❖ Customer deposits down 6% YoY N658 billion in December 2016 (N700 billion in December 2015) as the bank replaced volatile wholesale term deposits with fixed rate bonds and borrowings.

**Key Ratios:**

- ❖ Capital Adequacy Ratio – 16.7%.
- ❖ Liquidity Ratio – 31.2%.
- ❖ Loan to Funding Ratio – 74.5%.
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 3.7%.
- ❖ Cost to Income Ratio – 56.1%.
- ❖ Net Interest Margin – 8.4%.
- ❖ Earnings per share – 72k.



- ❖ Proposed dividend payment of 10 kobo per share for the full year 2016.

### ***FY 2016 Results Overview:***

The 2016 results were headlined by a 109% increase from prior year in Profit before Tax, and showed marked improvement across most indices. Earnings were buoyed by revaluation gains arising from the substantial foreign currency balance sheet. The banking group took the opportunity to continue to aggressively provision for impairments in the face of a weak macro-economic environment. Ongoing automation and digital migration initiatives enabled the group reduce operation expenses by 2% in spite of the 19% increase in gross earnings and 20% in total customers to 3.7 million. Low activity levels in the capital markets adversely affected non-banking subsidiaries, whilst the holding company was able to realise N1.7 billion in income from its financial investments. 2017 will continue to be a challenging year for the banking sector, which is the key driver of our earnings. However, we expect continued momentum in retail banking and growth in the asset management subsidiary to provide the impetus for improved performance.

### **Conference Call & Webcast for Results**

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

UK Access Number: +44 (0) 203 427 1902  
USA Access Number: +1 646 254 3365  
South Africa Access Number: +27 (0) 800 991 539

And then entering the following confirmation code: **9413492**

*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.fcmbgroup.com/investor-relations](http://www.fcmbgroup.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.fcmbgroup.com/investor-relations](http://www.fcmbgroup.com/investor-relations) from 13.00 (Lagos & London) on Friday 31 March.

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.fcmbgroup.com/investor-relations](http://www.fcmbgroup.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 Friday 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 521,000 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 3.7 million customers and 204 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.fcmbgroup.com](http://www.fcmbgroup.com)

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