



FCMB Group Plc announces a Profit before Tax of N2.0 billion for the first quarter ended 31 March 2017.

REVISED VERSION: LAGOS, NIGERIA – 27 APRIL 2017: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results for the first quarter ended 31 March 2017.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Gross revenue of N38.5 billion for the first quarter ended March 2017, a 12% increase from N34.4 billion for the same period prior year.
- ❖ Non-interest income of N7.6 billion, for the three-months ended March 2017, an increase of 49% Year-on-Year (YoY), from N5.1 billion for the same period prior year.
- ❖ Net impairment on loans up 44% YoY to N4.7 billion for the first quarter ended March 2017, from N3.3 billion for the same period prior year.
- ❖ Operating expenses, were down 2% YoY to N16.2 billion, for the three-months ended March 2017, in spite of the high inflationary environment.
- ❖ Profit before tax (PBT) of N2.0 billion for first quarter 2017, down 10% from N2.2 billion for first quarter 2016.

Financial Position:

- ❖ Loans and advances up 17% YoY to N656.1 billion in March 2017 (N561.6 billion in March 2016). The increase was driven largely by revaluation of FX-denominated facilities in 2016.
- ❖ Total assets up 3% YoY to N1.18 trillion in March 2017 (N1.14 trillion in March 2016).
- ❖ Customer deposits up 5% YoY N687.2 billion in March 2017 (N657.2 billion in March 2016).

Key Ratios:

- ❖ Capital Adequacy Ratio – 17.2%.
- ❖ Liquidity Ratio – 31.9%.
- ❖ Loan to Funding Ratio – 70.8%.
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 4.3%.
- ❖ Cost to Income Ratio – 70.3%.
- ❖ Net Interest Margin – 7.3%.
- ❖ Earnings per share – 32k.

1Q 2017 Results Overview:

FCMB Group Plc recorded a 12% YoY growth in gross earnings, driven by improved yields on earning assets and non-interest income growth. PBT for Q1 2017 reduced by 10% YoY due to a



reduction in net interest income and increased loan loss provisions in our banking activities. The bank's relatively high contribution of fixed deposits (32%) to its funding mix, the high interest rate environment and the Cash Reserve Requirement regime saw net interest income decline by 5% QoQ. Cost of risk increased from 0.3% in Q4 2016 to 2.8% in Q1 2017, as the bank continues to make prudent provisions against potential areas of stress in the loan book, in line with our guidance of 3%+ cost of risk for the year.

On the positive side, non-interest income rose by 161% QoQ, driven by transaction income, trading income, gains on asset disposals and recoveries of previously written off loans. Also operating expenses reduced for another quarter (by 1.2%), as the bank continues to benefit from ongoing automation investments and cost optimisation activities.

Capital market activities remained low and, consequently, this adversely affected the performance of our investment banking and stockbroking activities. However, asset management activities witnessed significant growth in profitability at 62% YoY. Asset management's contribution to income will continue to grow at a steady pace as we allocate more resources to this.

Net interest income and cost of risk will continue to challenge the bank's profit generating capacity for the year. However, this will be countered by continued momentum in non-interest income as electronic payments, trade finance and foreign exchange activities increase. Cost discipline and automation gains will also help keep operating expenses flat. Accordingly, we expect to see gradual but steady improvements in the bank's operating performance and the Group's overall performance during the course of 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 May** at **14.00 Lagos & London/ 9.00 New York/ 15.00 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 1904

USA Access Number: +1 718 354 1152

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

And then entering the following confirmation code: **1152847**

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

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 from 13.00 (Lagos & London) on Wednesday 3 May.

For those who are unable to listen to the live call, the recording of the webcast will be available under 'Financial Results – 2017' 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. 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 May.

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

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