



FCMB Group Plc announces a Profit before Tax of N3.8 billion for the half year ended 30 June 2017.

LAGOS, NIGERIA – 28 JULY 2017: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results for the half year ended 30 June 2017.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Gross revenue of N77.5 billion for the half-year ended June 2017, a 12% decrease from N88.3 billion for the same period prior year.
- ❖ Non-interest income of N12.8 billion, for the six-months ended June 2017, a decrease of 51% Year-on-Year (YoY), from N26.0 billion for the same period prior year, primarily due to the non-recurrence of foreign exchange revaluation gains.
- ❖ Net impairment on loans increased 6.3% YoY to N9.5 billion for the six-months ended June 2017, from N8.9 billion for the same period prior year.
- ❖ Operating expenses, were down 3.1% YoY to N31.7 billion, for the half-year ended June 2017.
- ❖ Profit before tax (PBT) of N3.8 billion for the six-months ended June 2017, down 76.5% from N16.3 billion for the six-months ended June 2016.

Financial Position:

- ❖ Loans and advances reduced by 1.1% QoQ to N649.2 billion in June 2017.
- ❖ Total assets remain flat QoQ at N1.18 trillion in June 2017.
- ❖ Customer deposits down 7.8% QoQ to N633.5 billion in June 2017.

Key Ratios:

- ❖ Capital Adequacy Ratio – 17.3%.
- ❖ Liquidity Ratio – 30.1%.
- ❖ Loan to Funding Ratio – 69.5%.
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 4.7%.
- ❖ Cost to Income Ratio – 70.0%.
- ❖ Net Interest Margin – 7.6%.
- ❖ Earnings per share – 30.5k.

HY 2017 Results Overview:

FCMB Group Plc PBT for HY 2017 declined by 77% YoY due to a non-recurrence of foreign exchange revaluation income that boosted profitability in prior year, pressure on net interest margins and the sustenance of relatively high loan impairment charges. 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 11% YoY. Cost of risk was flat at 2.8% QoQ and YoY, as the bank continues to make prudent provisions against loan impairments, in line with our guidance. On a positive note, operating expenses declined in the quarter by 5%, as the bank continues to benefit from ongoing automation investments.

Capital market activities picked up slightly during the quarter and, consequently, our investment banking (particularly brokerage) and asset management businesses recorded an increase in activities and profitability. Asset management's contribution, particularly, 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 challenge the bank's profit generating capacity for the year. However, this will be countered by improvements 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. We anticipate that investment banking and asset management will witness robust performance and make an increased contribution to profitability. Accordingly, we expect to see gradual but steady improvements in the Group's overall performance during the second half 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 **Tuesday, 1 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 (0) 203 427 1914
USA Access Number: +1 646 254 3365
South Africa Access Number: +27 (0) 800 984 127

And then entering the following confirmation code: **8569165**

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 Tuesday 01 August.

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 Tuesday 01 August .

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). CSL Trustees Limited became a subsidiary in 2014 and in 2017, FCMB Microfinance 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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