



FCMB Group Plc announces a Profit before Tax of N3.3 billion for the first quarter ended 31 March 2018.

AMENDED: LAGOS, NIGERIA – 27 APRIL 2018: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results for the first quarter ended 31 March 2018.

Financial Performance Highlights:

Earnings Analysis:

- ❖ Gross revenue of N42.2 billion for the three-months ended March 2018, a 9.6% increase from N38.5 billion for the same period prior year.
- ❖ Net interest income rose by 14% Year-on-Year (YoY) from N15.5 billion to N17.7 billion.
- ❖ Non-interest income of N8.1 billion, for the first quarter of 2018, a 6% increase YoY, from N7.6 billion for the same period prior year, driven by a 39% YoY growth in fees and commissions and 322% increase of N1.3 billion YoY in trading income.
- ❖ Net impairment on loans reduced by 3% YoY to N4.6 billion for the three-months ended March 2018, from N4.7 billion for the same period prior year.
- ❖ Operating expenses increased 9% YoY for the first quarter of 2018 - to N17.7 billion YoY and decreased 9% Quarter-on-Quarter (QoQ) - due to a one-off contingency provision for pending litigations in 4Q17.
- ❖ Profit before tax (PBT) of N3.26 billion for three-months 2018 rose 64% YoY.

Financial Position:

- ❖ Loans and advances reduced by 8% QoQ to N595.8 billion in March 2018 (N649.8 billion in December 2017), due to a cautious approach in growing the local currency loan book with focus on Agriculture, Manufacturing and Retail.
- ❖ Total assets increased 6% QoQ to N1.26 trillion in March 2018 (N1.19 trillion in December 2017).
- ❖ Customer deposits also increased by 8% QoQ to N747.7 billion in March 2018 (N689.9 billion in December 2017).
- ❖ Shareholders funds reduced by 7% QoQ to N176.5bn (due to an adjustment made in compliance with IFRS 9 implementation requirements).

Key Ratios:

- ❖ Capital Adequacy Ratio – 17.1%.
- ❖ Liquidity Ratio – 46.6%.
- ❖ Loan to Funding Ratio – 62.6%.
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 5.3%.
- ❖ Cost to Income Ratio – 68.6%.
- ❖ Net Interest Margin – 7.4%.
- ❖ Earnings per share – 52.2k.

Q1 2018 Results Overview:

The Group recorded profits before tax of N3.3 billion, a 64% increase from N2.0 billion achieved for the same period in 2017. The improved performance reflects the marginally improved performance of the bank, as well as, the effects of diversification through our investments in asset and wealth management.

Our Commercial & Retail Banking group (which comprises First City Monument Bank Limited, Credit Direct Limited, FCMB (UK) Limited and FCMB Microfinance Bank Limited) generated N2.2bn PBT, a 20% increase YoY. The group also witnessed a 4.6% YoY increase in revenue due to a 14% increase YoY in net-interest income, which also resulted in a 7.4% net interest margin (a 9% rise YoY). Deposits also grew 9% YoY and 8% QoQ respectively, driven majorly by growth in Current and Savings Account deposits. There was an adjustment of N15.2bn, in compliance with IFRS 9 implementation requirements, which resulted in a decrease of shareholders fund by 8%.

Our Asset & Wealth Management division (which comprises Legacy Pension Managers Limited, First City Asset Management Limited and CSL Trustees Limited) grew its AUM by 6% QoQ to N275bn, whilst also increasing PBT by 224% QoQ, to N508 million, representing a 16% contribution to Group PBT (a 2% rise from last quarter). Its cost to income ratio also dropped from 62% to 48% QoQ. The significant improvements in both PBT and CIR mainly reflect the positive impact of our pensions business line on the Division's performance.

Accounting for 5% of 1Q18 Group profits vs. 4% in 4Q17, our Investment Banking group (comprised of FCMB Capital Markets Limited and CSL Stockbrokers Limited) recorded a 118% growth YoY in gross earnings. However, gross earnings declined QoQ by 33% due to the non-recurrence of a large ticket transaction in 4Q17. The division's PBT was N148m from a loss position of N69m in 1Q17, largely driven by CSL Stockbrokers Limited (CSLS). In relation to market share, CSLS' 1Q18 trade value was N102 billion, with it ending the first quarter as second-ranked broker by transaction size.

Barring any unforeseen circumstances, we see improved operating performance in 2018 based on the improving macro-economic and capital markets environment, declining cost of funds for the bank, and the growing contributions of asset and wealth management.

Conference Call & Webcast for Results

FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Wednesday 2 May** 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:

Lagos Access Number: +234 1 277 6330
UK Access Number: +44 (0) 330 336 9411
USA Access Number: +1 720 543 0206
South Africa Access Number: +27 11 844 6118

And then entering the following confirmation code: 1228930

Participants will have to quote the above code when dialling into the conference call.

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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 2 May.

For those who are unable to listen to the live call, the recording of the webcast will be available under 'Financial Results – 2018' 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 2 May.

For further information, please contact:

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Notes to editors:

About FCMB Group Plc

FCMB Group Plc is a bank-led financial services group, headquartered in Lagos, Nigeria, with operating companies divided along three business groups – Commercial and Retail Banking (First City Monument Bank Limited, Credit Direct Limited, FCMB (UK) Limited and FCMB Microfinance Bank Limited); Investment Banking (FCMB Capital

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Mr. Oladipupo Jadesimi (Chairman), Mr. Ladi Balogun (Group Chief Executive), Mr. Peter Obaseki (Chief Operating Officer), Dr. Jonathan Long (Non-Executive Director), Mr. Bismarck Rewane (Non-Executive Director Independent), Mr. Martin Dirks (Non-Executive Director), Alhaji Mustapha Damcida (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), Mrs. Olapeju Sofowora (Non-Executive Director)

Markets Limited and CSL Stockbrokers Limited) and Asset & Wealth Management (Legacy Pension Management Limited, First City Asset Management Limited and CSL Trustees Limited). Listed on the Nigerian Stock Exchange (NSE) with the ticker symbol (FCMB), FCMB Group Plc has 19,802,710,781 ordinary shares held by over 521,000 shareholders.

First City Monument Bank Limited, the flagship company, has approximately 3.7 million customers and 204 branches in Nigeria and a banking subsidiary 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
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