



9M  
2018

## Results Announcement



## FCMB Group Plc announces a Profit before Tax of N14.8 billion for the nine months ended 30 September 2018

LAGOS, NIGERIA – 30 NOVEMBER 2018: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Group Results (*containing the Bank’s Audited Results*), for the nine-months ended 30 September 2018.

### Financial Performance Highlights:

#### Earnings Analysis:

Gross revenue of N132.9 billion for the nine-months ended September 2018, an 11.8% increase from N118.8 billion for the same period prior year.

Net interest income rose by 7% Year-on-Year (YoY) from N49.9 billion to N53.2 billion.

Non-interest income of N33.0 billion, for the nine-months of 2018, a 77% increase YoY, from N18.6 billion for the same period prior year, driven by a 907% YoY growth in FX income and a N2.9 billion (165%) YoY increase in trading income.

Net impairment on loans reduced by 35% YoY to N8.0 billion for the nine-months ended September 2018, from N12.3 billion for the same period prior year.

Operating expenses increased 15% YoY for the nine-months ended September 2018 - to N56.9 billion YoY and decreased 1% Quarter-on-Quarter (QoQ) - due to increase in AMCON charges, brand awareness and expenses on alternate channels development.

Profit before tax (PBT) of N14.8 billion, for the nine months 2018, rose 116% YoY.



#### Financial Position:

Loans and advances rose 3% QoQ to N601.9 billion in September 2018 (N586.0 billion in June 2018), due to a growth in the finance & insurance, oil and gas downstream, agriculture and manufacturing sectors.

Total assets increased 5% QoQ to N1.30 trillion in September 2018 (N1.23 trillion in June 2018).

Customer deposits also increased by 5% QoQ N756.0 billion in September 2018 (N721.3 billion in June 2018).

#### Key Ratios:

Capital Adequacy Ratio – 17.05%.

Liquidity Ratio – 50.5%.

Loan to Funding Ratio – 60.9%.

Non-Performing Loans (NPL) to Total Loans Ratio – 5.1%.

Cost to Income Ratio – 65.9%.

Net Interest Margin – 7.8%.

Earnings per share – 57.3k.

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### 9M 2018 Results Overview:

*The Group recorded a profit before tax of N14.8 billion, a 116% increase from N6.8 billion achieved for the same period in 2017. The improved performance continues to reflect the improving performance of the bank, as well as, the effects of diversification through our investments in asset and wealth management.*



*Our Asset & Wealth Management division (which comprises Legacy Pension Managers Limited, First City Asset Management Limited and CSL Trustees Limited) grew its AUM by 3% QoQ to N304.8bn, whilst increasing PBT by 339% YoY, to N1.4bn, representing a 10% contribution to Group's PBT. Our Pensions business now accounts for 87% of AUM, while our Collective Investment Schemes and Wealth Management activities should account for 13% of total AUM by the end of 2018. New product development and innovation in distribution strategies will drive AUM and income growth in 2019.*

*Our Commercial & Retail Banking group (which comprises First City Monument Bank Limited, Credit Direct Limited, FCMB (UK) Limited and FCMB Microfinance Bank Limited) generated a 103.5% increase in PBT to N12.0bn for 9M18 from N5.9bn for 9M17. Revenue increased 8.5% YoY majorly through a 60% increase in non-interest income, driven by a N9.2bn YoY increase in its FX income for 9M18. Trading income also increased by 161% to 4.4bn for the period, while Net interest income increased by 7% YoY, which increased net interest margin to 8.1% for 9M18 from 7.6% (9M17). Operating expenses increased by 13% due to increase in AMCON charges, brand awareness and expenses on alternate channels development. The banking group's CAR and liquidity remain strong and above regulatory thresholds at 17.05% and 50.5% respectively. Though risk assets declined by 8.2% YoY, they increased by 2.7% QoQ. With the comfortable capital and liquidity, QoQ growth will continue in 4Q18. Deposits grew 18.1% YoY and 4.6% QoQ driven by low cost deposits.*

*Accounting for 2% of Group Profits in 9M18, our Investment Banking division (comprised of FCMB Capital Markets Limited and CSL Stockbrokers Limited) saw its gross earnings grow 27% YoY but dropped 17% QoQ as the equities market halted its bullish streak with a 14% drop in the NSE All Shares Index (ASI) in 3Q18. The division's PBT grew 504% YoY to N187m from N31m in 9M17, largely driven by CSL Stockbrokers Limited. The market slowed down during the quarter, as investors start their characteristic flight to safety ahead of the 2019 elections, however, CSL's 3Q18 trade value was N32.2bn (vs. N69.6bn in 2Q18), with it ending the third quarter as third-ranked broker, by value traded.*

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



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### Conference Call & Webcast for Results



FCMB Group Plc (Bloomberg: FCMB) will be hosting a teleconference call and webcast for analysts and investors on **Wednesday 5 December** at **15.30 Lagos/ 14.30 London/ 09.30 New York/ 16.30 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 2430  
UK Access Number: +44 (0) 330 336 9125  
USA Access Number: +1 929 477 0324  
South Africa Access Number: +27 11 844 6054

And then entering the following confirmation code: 3597963

*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.**



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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 14.00 (Lagos)/ 13.00 (London) on Wednesday 5 December.

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](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 15.30 (Lagos)/ 14.30 (London) on Wednesday 5 December.

For further information, please contact:

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### Conference Call & Webcast for Results

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