



## **FCMB Group Plc announces a Profit before Tax of N2.2 billion for the first quarter ended 31 March 2016.**

LAGOS, NIGERIA – 29 APRIL 2016: FCMB Group Plc (Bloomberg: **FCMB**) (“FCMB Group”) announced its Unaudited Group Results, for the first quarter ended 31 March 2016.

### **Financial Performance Highlights:**

#### **Earnings Analysis:**

- ❖ Gross revenue of N34.4 billion for the first quarter ended March 2016, a 12% decline from N39.3 billion for the same period prior year, with the drop being partially due to non-recurrence of exchange revaluation gains, reducing yields and a marginal decline in earning assets .
- ❖ Net interest income of N17.2 billion, for the first quarter ended March 2016, a decline of 5% Year-on-Year (YoY), from N18.1 billion for the same period prior year.
- ❖ Net Fees and commissions up 11% to N3.4 billion, from N3.0 billion for same period prior year.
- ❖ Impairments up 61.6% YoY to N3.3 billion for the first quarter ended March 2016, from N2.0 billion for the same period prior year, primarily due to delayed salary payments and oil and gas exposures.
- ❖ Operating expenses flat (YoY) at N16.5 billion, for the first quarter ended March 2016.
- ❖ Profit before tax (PBT) of N2.2 billion for the first quarter ended March 2016, down 62% from N5.8 billion for the first quarter ended March 2015.

#### **Financial Position:**

- ❖ Loans and advances reduced 5% Quarter-on-Quarter (QoQ) to N561.6 billion in March 2016 (N593.0 billion in December 2015).
- ❖ Total assets reduced 2% QoQ to N1.14 trillion in March 2016 (N1.16 trillion in December 2015).
- ❖ Customer deposits down 6% QoQ to N657.2 billion in March 2016 (700.2 billion in December 2015).

#### **Key Ratios:**

- ❖ Capital Adequacy Ratio – 18.5% (18.1% for fourth quarter 2015).
- ❖ Liquidity Ratio – 38.2% (35.9% for fourth quarter 2015).
- ❖ Loan to Funding Ratio – 65.7% (66.1% for fourth quarter 2015)
- ❖ Non-Performing Loans (NPL) to Total Loans Ratio – 4.8% (4.2% for fourth quarter 2015).
- ❖ Cost to Income Ratio – 74.2% (79.0% for fourth quarter 2015).
- ❖ Net Interest Margin – 8.8% (7.7% for fourth quarter 2015).
- ❖ Earnings per share – 33k (53k for fourth quarter 2015).



**Commentary:**

Mr. Peter Obaseki, Managing Director of FCMB Group Plc, had this to say about the results:

*"Continued lull in the economy, especially international trade, capital flows and government spending weigh on our group's Q1 results; we are also, actively rebalancing our financial position by reducing wholesale deposits and slowing down loan growth, especially from lumpy sources; as a result, the retail business is getting more pronounced as the real growth driver. This approach is complementary to enhancing our capital position, liquidity management and cost savings initiatives.*

*Core fees and commission which are not tied to loan expansion is showing a strong and sustainable trend, with YoY growth of 11%.*

*We expect that subsequent quarterly earnings will improve upon Q1 2016, PBT of N2.2 billion, especially if government rolls out its expansionary budget and subject to well co-ordinated monetary stance."*

Mr. Ladi Balogun, Group Managing Director of FCMB Ltd, commented on the results, thus:

*"The commercial and retail banking division of FCMB Group witnessed improvements across a number of parameters when compared to prior quarter. We saw marginal improvements in cost to income ratio, net interest income and non interest income. Cost of risk rose to 2.2% largely due to delayed salary payments in the public sector and the resultant effect in some of our consumer lending activities and prudent provisioning in our SME loan book for the year. We anticipate significant recoveries and reduced cost of risk in subsequent quarters. This, in addition to the momentum in the retail banking division and particularly cards and electronic banking as well as rapid growth in current and savings accounts, should fuel stronger performance in the second quarter 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 3 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:

Nigeria Access Number: +234 (0) 708 060 1876  
UK Access Number: +44 20 3427 1920  
USA Access Number: +1 646 254 3373  
South Africa Access Number: +27 (0) 800 984 135

And then entering the following confirmation code: **4970289**

*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.fcmbgroupplc.com/investor-relations](http://www.fcmbgroupplc.com/investor-relations)

***Webcast access on mobile devices - QR code:***

Access the live and on-demand version 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.fcmbgroupplc.com/investor-relations](http://www.fcmbgroupplc.com/investor-relations) from 13.00 (Lagos & London) on Tuesday 3 May.

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.fcmbgroupplc.com/investor-relations](http://www.fcmbgroupplc.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 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 522,000 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 million customers and 225 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.fcmbgroupplc.com](http://www.fcmbgroupplc.com)

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