

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the summary financial information of FCMB Group Plc (“the Company”) and its subsidiary companies (together “the Group”) for the year ended 31 December 2019. This summary financial information is derived from the full consolidated and separate financial statements for the year ended 31 December 2019 and is not the full financial statements of the Company and the Group. The full consolidated and separate financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Group’s independent Auditors issued an unmodified audit opinion on the full consolidated and separate financial statements for the year ended 31 December 2019 from which these summary financial information were derived. An electronic copy of the full consolidated and separate financial statements can be obtained at www.fcmbgroupplc.com.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION				
AS AT 31 DECEMBER 2019				
In thousands of Naira	GROUP		COMPANY	
	2019	2018	2019	2018
ASSETS				
Cash and cash equivalents	223,545,838	185,147,549	19,482	297,957
Restricted reserve deposits	208,916,226	146,497,087	-	-
Non-pledged Trading assets	51,087,200	47,469,113	-	-
Derivative assets held for risk management	11,666,095	10,538	-	-
Loans and advances to customers	715,880,600	633,034,962	-	-
Assets pledged as collateral	118,653,230	87,409,893	-	-
Investment securities	239,935,756	235,921,932	3,799,741	3,727,938
Investment in subsidiaries	-	-	127,200,705	126,405,374
Property and equipment	43,697,159	37,281,754	91,259	17,846
Intangible assets	15,624,505	15,320,782	-	-
Deferred tax assets	7,944,838	7,944,838	-	-
Other assets	31,554,348	35,259,574	2,908,633	2,342,951
Total assets	1,668,505,795	1,431,298,022	134,019,820	132,792,066
LIABILITIES				
Trading liabilities	37,082,002	32,474,632	-	-
Derivative liabilities held for risk management	7,563,600	10,538	-	-
Deposits from banks	90,060,925	39,140,044	-	-
Deposits from customers	943,085,581	821,747,423	-	-
Borrowings	133,344,085	108,731,522	-	-
On-lending facilities	70,912,203	57,889,225	-	-
Debt securities issued	71,864,898	54,651,172	-	-
Retirement benefit obligations	132,542	80,207	-	-
Current income tax liabilities	4,743,683	5,038,371	84,386	178,455
Deferred tax liabilities	345,852	307,703	-	-
Provision	5,598,177	11,583,432	-	303,630
Other liabilities	103,105,600	116,216,647	1,995,973	1,203,898
Total liabilities	1,467,839,148	1,247,870,916	2,080,359	1,685,983
EQUITY				
Share capital	9,901,355	9,901,355	9,901,355	9,901,355
Share premium	115,392,414	115,392,414	115,392,414	115,392,414
Retained earnings	34,187,857	28,962,144	6,642,875	5,813,795
Other reserves	40,952,603	28,950,679	2,817	(1,481)
Total Equity attributable to owners of the Company	200,434,229	183,206,592	131,939,461	131,106,083
Non-controlling Interests	232,418	220,514	-	-
	200,666,647	183,427,106	131,939,461	131,106,083
Total liabilities and equity	1,668,505,795	1,431,298,022	134,019,820	132,792,066

The full consolidated and separate financial statements were approved by the Board of Directors on 6 March 2020 and signed on its behalf by

Oladipupo Jadesimi
Chairman
FRC/2015/IODN/00000006637

Ladi Balogun
Group Chief Executive
FRC/2013/IODN/00000001460

Kayode Adewuyi
Chief Financial Officer
FRC/2014/ICAN/00000006884

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
FOR THE YEAR ENDED 31 DECEMBER 2019				
In thousands of Naira	GROUP		COMPANY	
	2019	2018	2019	2018
Gross earnings	181,249,930	177,248,909	3,501,949	4,808,316
Interest and discount income	137,447,224	131,662,948	427,608	440,429
Interest expense	(61,470,839)	(59,089,590)	-	-
Net interest and discount income	75,976,385	72,573,358	427,608	440,429
Net fee and commission income	20,722,092	21,606,880	(4)	(6)
Net trading income	6,904,490	6,193,705	(1,396)	147,064
Net income from financial instruments mandatorily measured at fair value through profit or loss	1,952,495	(345,819)	-	(345,819)
Other revenue	4,075,888	9,871,768	3,017,697	3,196,914
Operating income	109,631,350	109,899,892	3,443,905	3,438,582
Other income	1,147,153	1,879,961	58,040	1,369,728
Total operating income	110,778,503	111,779,853	3,501,945	4,808,310
Impairment losses on financial instruments	(13,747,603)	(14,113,282)	(49,295)	(62,355)
Impairment writeback on investment in subsidiaries	-	-	795,331	-
Operating expenses	(76,900,503)	(79,224,274)	(633,488)	(1,070,263)
Profit before minimum tax and income tax	20,130,397	18,442,297	3,614,493	3,675,692
Excess dividend tax	-	(107,102)	-	(107,102)
Minimum tax	(1,040,558)	(952,422)	(8,159)	-
Income tax expense	(1,752,565)	(2,411,245)	(4,874)	(16,198)
Profit for the year	17,337,274	14,971,528	3,601,460	3,552,392
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Net change in fair value of unquoted equity investments	5,047,594	2,465,800	-	-
Net change in fair value of quoted equity investments	(309,752)	(432,576)	-	-
	4,737,842	2,033,224	-	-
Items that may be subsequently reclassified to profit or loss:				
Net change in fair value of debt investments	(2,263,237)	(644,994)	4,298	(1,481)
Net impairment reclassified from profit or loss of debt investments	20,505	9,747	-	-
Foreign currency translation differences for foreign operations	246,453	1,148,941	-	-
	(1,996,279)	(145,490)	4,298	(1,481)
Other comprehensive income for the year	2,741,563	1,887,734	4,298	(1,481)
Total comprehensive income for the year	20,078,837	16,859,262	3,605,758	3,550,911
Profit attributable to:				
Equity holders of the Company	17,259,992	14,885,691	3,601,460	3,552,392
Non-controlling interests	77,282	85,837	-	-
	17,337,274	14,971,528	3,601,460	3,552,392
Total comprehensive income attributable to:				
Equity holders of the Company	20,000,017	16,775,554	3,605,758	3,550,911
Non-controlling interests	78,820	83,708	-	-
	20,078,837	16,859,262	3,605,758	3,550,911
KEY FINANCIAL INFORMATION				
Non-performing loans & advances	27,685,683	40,195,497	-	-
Non-performing loans to total gross loans and advances (%)	3.67%	5.90%	0.00%	0.00%
Basic and diluted earnings per share (Naira)	0.87	0.75	0.18	0.18

Below is a breakdown of complaints received and resolved by the Banking subsidiary during the year 31 December 2019 pursuant to CBN circular dated 16 August 2011.

Description	Number	Amount Claimed N'000	Amount refunded N'000
Pending complaints brought forward	1,202	1,254	-
Received complaints	33,705	6,614,477	-
Total complaints	34,907	6,615,731	-
Resolved complaints	33,422	6,111,555	40,730
Unresolved complaints escalated to CBN for intervention	12	502,041	-
Unresolved complaints pending with the bank carried forward*	1,473	2,135	-

*Some of the outstanding complaints include complaints on failed bill payments, dispense errors on other Bank terminals, excess charges, etc.

The Group consists of FCMB Group Plc (Company) together with its subsidiaries (First City Monument Bank Limited, CSL Stockbrokers Limited, FCMB Trustees Limited, FCMB Capital Markets Limited, FCMB Microfinance Bank Limited, FCMB Pensions Limited and Credit Direct Limited).



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Mr. Oladipupo Jadesimi (Chairman), Mr. Ladi Balogun (Group Chief Executive), Mr. Peter Obaseki (Chief Operating Officer), Mr. Femi Badeji (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)

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

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CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS				
FOR THE YEAR ENDED 31 DECEMBER 2019				
	GROUP		COMPANY	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit after tax for the year	17,337,274	14,971,528	3,601,460	3,552,392
Adjustments for:				
Net Impairment losses on financial instruments	13,747,603	14,113,282	49,295	62,355
Net impairment writeback on investment in subsidiaries	-	-	(795,331)	-
Fair value gain on financial assets held for trading	(1,556,516)	(1,125,296)	-	-
Net loss from other financial instruments at fair value through profit or loss	(1,952,495)	345,819	-	345,819
Amortisation of intangibles	1,423,702	1,246,371	-	-
Depreciation of property and equipment	5,289,207	4,290,943	12,817	18,358
Gain on disposal of property and equipment	(115,214)	(63,456)	(306)	(46)
Gain on disposal of investment securities	(1,323)	(1,313,358)	-	(1,310,609)
Unrealised foreign exchange gains	(3,549,033)	(9,334,192)	(48,613)	(243,702)
Other operating expenses - provisions for litigation no longer required	(6,457,163)	-	(303,630)	-
Net interest income	(75,976,385)	(72,573,358)	(427,608)	(440,429)
Dividend income	(526,855)	(537,576)	(2,969,084)	(2,953,212)
Tax expense	2,793,123	3,470,769	13,033	123,300
	(49,544,075)	(46,508,524)	(867,967)	(845,774)
Changes in operating assets and liabilities				
Net (increase) in restricted reserve deposits	(62,419,139)	(36,858,528)	-	-
Net (increase)/ decrease in derivative assets held for risk management	(11,655,557)	335,246	-	-
Net (increase) in non-pledged trading assets	(4,122,018)	(24,170,040)	-	-
Net (increase)/decrease in loans and advances to customers	(69,502,048)	3,883,781	-	-
Net decrease/ (increase) in other assets	8,435,990	9,825,703	(5,682)	(1,594,376)
Net increase in trading liabilities	4,605,392	10,857,972	-	-
Net increase in deposits from banks	50,920,881	32,784,655	-	-
Net increase in deposits from customers	121,338,158	131,886,783	-	-
Net increase in on-lending facilities	12,615,000	11,214,450	-	-
Net (increase) in assets pledged as collateral	(35,671,304)	(26,679,736)	-	-
Net increase/ (decrease) in derivative liabilities held for risk management	5,600,567	(335,246)	-	-
Net (decrease)/ increase in provision	609,974	9,143,690	-	-
Net (decrease)/ increase in other liabilities	(19,011,362)	48,857,836	774,559	(440,180)
	(47,799,541)	124,238,042	(99,090)	(2,880,330)
Interest received	133,288,707	137,984,787	427,608	440,429
Interest paid	(63,347,880)	(59,211,577)	-	-
Dividends received	526,855	537,576	2,409,084	1,184,756
VAT paid	(1,053,949)	(1,460,608)	(24,039)	(2,829)
Income taxes paid	(2,434,334)	(1,395,826)	(107,102)	(4,760)
Net cash generated from/ (used in) operating activities	19,179,858	200,692,394	2,606,461	(1,262,734)
Cash flows from investing activities				
Purchase of property and equipment	(7,579,660)	(8,721,178)	(88,856)	(2,077)
Purchase of intangible assets	(1,496,803)	(648,377)	-	-
Purchase of intangible assets work-in-progress	(375,587)	(1,089,091)	-	-
Proceeds from sale of property and equipment	333,695	709,492	2,932	3,941
Acquisition of investment securities	(83,975,620)	(153,697,260)	(267,765)	(76,793)
Proceeds from sale and redemption of investment securities	72,855,133	49,515,208	220,000	2,682,713
Net cash (used in)/ generated from investing activities	(20,238,842)	(113,931,206)	(133,689)	2,607,784
Cash flows from financing activities				
Investment in subsidiaries	-	-	-	(810,672)
Dividend paid	(2,772,380)	(1,980,270)	(2,772,380)	(1,980,271)
Proceeds from long term borrowings	152,422,400	48,769,311	-	-
Repayment of long term borrowings	(129,381,414)	(58,135,758)	-	-
Proceeds from debt securities issued	17,013,255	-	-	-
Net cash generated from/ (used in) financing activities	37,281,861	(11,346,717)	(2,772,380)	(2,790,943)
Net increase/ (decrease) in cash and cash equivalents	36,222,877	75,414,471	(299,608)	(1,445,893)
Cash and cash equivalents at start of year	185,165,525	103,888,007	297,957	146,366
Increase in cash and cash equivalents	36,222,877	75,414,471	(299,608)	(1,445,893)
Effect of exchange rate movement on cash and cash equivalents held	2,189,934	5,863,047	21,133	1,597,484
Cash and cash equivalents at end of year	223,578,336	185,165,525	19,482	297,957

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL INFORMATION	
To the Shareholders of FCMB Group Plc	
Report on the Summary Financial Information	
Opinion	
The summary financial information, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statement of profit or loss and other comprehensive income and the consolidated and separate statements of cash flows for the year then ended are derived from the audited consolidated and separate financial statements of FCMB Group Plc for the year ended December 31, 2019.	
In our opinion, the accompanying Summary Financial Information are consistent, in all material respects, with the audited consolidated and separate financial statements in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria 2004 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004.	
Summary Financial Information	
The summary of the financial Information do not contain all the disclosures required by the international Financial Reporting Standards, the Companies and Allied Act, Cap C.20 Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act Cap B.3, Laws of the Federation of Nigeria, 2004 and other relevant Central Bank of Nigeria guidelines and Circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.	
The Audited Financial Statements and our Report Thereon	
We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 18 March 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated and separate financial statements of the current period.	
Directors' Responsibility for the Summary Financial Information	
The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act of Nigeria, Cap C.20 Laws of the Federation of Nigeria, 2004 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria, 2004.	
Auditor's Responsibility	
Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures which were conducted in accordance with the International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.	
Report on Other Legal and Regulatory Requirements	
<i>Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004</i>	
In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.	
<i>Compliance with Section 27 (2) of the Banks and the other Financial Institutions Act Cap B3, Laws of the Federation of Nigeria, 2004 and Central Bank of Nigeria circular BSD/1/2004</i>	
i. The Group paid penalties of N183.36 million in respect of contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2019. Details of these contraventions and penalties paid are disclosed in note 48 to the audited consolidated and separate financial statements.	
ii. Related party transactions and balances are disclosed in note 45 to the audited consolidated and separate financial statements in compliance with the Central Bank of Nigeria Circular BSD/1/2004.	
Signed:	
 Nneka Eluma, FCA FRC/2013/ICAN/00000000785 For: KPMG Professional Services Chartered Accountants 18 March 2020 Lagos, Nigeria	
	

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