

FCMB PLC, 9 MONTHS RESULTS TO JANUARY 31, 2007

	2007	2006	Change %
GROSS EARNINGS, N'm	17,694	10,458	69.19
PBT, Nm	4,467	2,249	98.62
TAXATION, N'm	886	435	103.68
PAT, N'm	3,580	1,813	97.46
EPS, N	0.38	0.19	97.46

Although FCMB's figures for the 9 months are slightly below our expectations, we observed that gross earnings of about N7billion posted during Q3 i.e. November to January, was above the N5billion averaged in the first half of the year. The improvement in the bank's operations during the quarter trickled to the bottom line as PAT of about N1.4billion was posted compared with about N1.1billion averaged in H1. With a 97% increase in EPS to N0.38 for the 9-month period, FCMB's P/E ratio is 18.53 – down from 36.58 in '06 – while P/E for FY07 and FY08 is expected to be 11 and 6 respectively. Also, our BUY recommendation on the stock is further strengthened by a relatively low price-to-book ratio of 2.64 (trailing). On a forward basis, FCMB's price-to-book is expected to be 2.38 and 2.00 for FY07 and FY08 respectively.