



LAGOS, NIGERIA – 17 MAY 2010 – First City Monument Bank PLC (Bloomberg: **FCMB NL**)

**FIRST CITY MONUMENT BANK, PLC REPORTS PROFIT BEFORE TAX OF
NGN 857 MILLION (FYE 2009) AND NGN 1.1 BILLION (Q1 2010)**

Despite falling oil prices and a declining stock market in 2009 creating one of the most challenging economic environments experienced by the banking industry, First City Monument Bank posted a Profit Before Tax of NGN 857 million for the 8 months ended December 2009 and proposes a dividend of 5 kobo per share.

Expectedly and as a result of the significant slowdown in business (particularly in asset creation and capital market activities), the Bank witnessed a measure of annualised declines in some of its performance parameters like gross earnings, net operating income and profitability declining by 25%, 33% and 73% respectively.

Commenting on the results, Mr. Debo Adesanya, Chief Risk Officer of the First City Monument Bank, said that:

“The Bank’s focus, in the course of the last quarter of 2009 and first quarter of 2010, was mainly on recovery of the classified assets following the Central Bank’s Stress Test. This stance yielded positive results, with over N9 billion of the classified assets recovered in 2009, thus leading to an improvement in the non-performing loan (NPL) ratio to 9% by December 2009 from a peak of 15% in October 2009.

During the year, there was a deliberate reduction in risk assets to enable the Bank strengthen its credit underwriting process and rebalance its portfolio. These factors led to about 12% decline in the net risk assets of the Group. Excess liquidity and the desire not to maintain a high level of idle funds made the Bank pay down some tenured funds thus, also reducing the level of deposits by about 17% as at end of December 2009.

The Bank’s Shareholders’ Funds grew by 0.7% % to N130 billion (March 2010) and its Capital Adequacy Ratio remains amongst the highest in the industry at 32%, indicating the Bank is well positioned to capitalise on future growth opportunities.

An improvement is evident in Q1 2010, where the bank closed with a 32% growth (from December 2009) in Profit Before Tax of N1.1 billion, grew net loans by 17% to N281 billion and saw a further reduction in NPLs to 8%.”

Commenting on the future outlook of the Bank, Mrs. Yemisi Edun, the Chief Financial Officer of the First City Monument Bank stated that:

“Our set strategy remains our target of leadership in three profitable niches – Retail Finance, Investment Banking and Transaction Banking. 2009 saw several years of very significant investment come to an end.

Whilst many of these investments are yet to attain break even we are very confident that they will and the next few years will see increased profitability with reduced investments.

In 2010, the profitability run-rate will continue to improve steadily as the loan book grows and capital market activities gather momentum. Furthermore, the Bank will continue to seek out efficiency gains. 2010 promises to be a vastly improved year, and by 2011 the Bank should be performing significantly beyond the levels attained prior to the downturn in the industry.”

About First City Monument Bank Group Plc

A universal banking institution with an experienced management team and significant international shareholdings, FCMB is headquartered in Lagos, Nigeria.

Having become a public limited company in 2004, FCMB has its shares listed on the Nigerian Stock Exchange (NSE). Accounting for approximately 5% of total assets in the banking industry, FCMB benefits from a nationwide branch network and an array of unique financial products and services and a strong brand.

Product and service offerings are focused on three main areas (Investment Banking, Retail Finance and Transaction Banking) and include core lending, transaction services, treasury and financial markets, advisory & corporate finance. Key customer segments comprise Corporate, Government, Small & Medium Scale Enterprise and Individuals.

FCMB is the flagship company of the First City Group, one of Nigeria’s leading comprehensive financial services providers. Other members of the group are FCMB Capital Markets - which integrates key skills relating to investment banking and capital markets disciplines, Credit Direct Ltd. (CDL) - a microlending business and City Securities – a securities and investment services firm comprising City Securities Limited Registrars (CSLR), a share registration agent; City Securities Limited Stockbrokers (CSLS) – a stock-broking firm and First City Asset Management (FCAM) - an asset/ fund management firm. All businesses are market leaders in their respective fields.

From its early origins in investment banking, FCMB has emerged as one of the leading and most dynamic financial services institutions in Nigeria. The Bank’s success has been recognised by many industry awards over the years, both nationally and internationally. Most recently it won the Euromoney 2008 award for the Best Equity House in Nigeria and the 2007 award for Best Investment Bank.

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