



## First City Monument Bank Plc

Unaudited IFRS-Compliant Group Results for the nine-months ended 30 September 2012

### **First City Monument Bank concludes merger of FinBank and announces nine-months Profit before Tax of N12.1bn, up 23% from prior year's**

LAGOS, NIGERIA – 29 OCTOBER 2012 – First City Monument Bank PLC (Bloomberg: **FCMB NL**) (“FCMB” or the “Bank” or the “Company”) has announced its unaudited IFRS-compliant group results, for the nine-months ended 30 September 2012. The banking group has also concluded the merger of FinBank, a wholly owned subsidiary acquired on 9 February 2012.

#### **Key Highlights:**

- ✓ Steady improvement in Year-on-Year (YoY) performance:
  - ❖ Nine-months PBT, as at September 2012, was up 23% YoY at N12.1bn;
  - ❖ Annualised ROE rose 45% in September 2012 to 11.0% from 7.6% for the corresponding period of 2011, enabled by improved balance sheet leverage;
  - ❖ Group Net revenues for the same period were up 42% YoY at N50.7bn;
  - ❖ Operational expenses, year to date, were up 67% YoY.
- ✓ Operating Expenses' YoY growth was due mainly to the consolidation of FinBank numbers for the first time in 2012. However, OPEX declined 7% Quarter-on-Quarter (QoQ) coming primarily from the realisation of cost savings from the pre-merger rationalisation exercise conducted in the first half of the year.
- ✓ Net Revenue grew 12% QoQ coming from better margins that saw net interest income rising by 13% in 3Q12.
- ✓ Non-interest revenue was N6.6bn in 3Q12, indicating an 8% growth QoQ.
- ✓ Loan loss provisions were N1.3bn in 3Q12, against the write-back of N0.7bn in 2Q12, which came from recovery of previously-provisioned assets from both FinBank and FCMB.
- ✓ Improving balance sheet and earnings potential:
  - ❖ The Bank's capital adequacy and liquidity ratios remain strong, in spite of risk asset growth, at 22% and 56%, respectively;
  - ❖ Low cost deposit mix was 58%, representing an improvement of 4%, YoY, and 14%, QoQ;
  - ❖ The growing liquidity position of the Bank was evidenced by the 14% QoQ growth in balances with other banks to N126.4bn;
  - ❖ Net Interest Margin improved to 7.6% in 3Q12 from 6.8% in 3Q11, enabled by a better deposit mix and continued growth in retail loans;
  - ❖ Cost-to-Income Ratio (CIR) was 70%, for 3Q12, showing a QoQ improvement of 20%, though a YoY deterioration of 11%, which was largely due to FinBank's cost profile, which will be significantly lower post-merger.
- ✓ Risk assets grew 10% QoQ, from N330bn to N363bn, arising from continued retail loan growth and trade finance growth, while the Non-Performing Loans (NPL) ratio fell from 6.4% in 2Q12 to 4.9% in 3Q12.

## Q3 2012 - Management Statement

---

Commenting on the results, Mr. Ladi Balogun, Group Managing Director/ CEO of FCMB Plc, said:

*“2012’s main activity has been the FinBank acquisition and merger, which is now complete from a legal and regulatory perspective. The FinBank acquisition and subsequent merger has added 30% to the balance sheet and transformed the Bank’s liquidity profile. It has taken the Loan-to-Deposit ratio (LDR) from 87% to 59% and the liquidity ratio from 50% to 56% compared to this time last year and has also doubled our distribution capacity from 130 to 280 branches and 2 million customers. While the protracted merger process has been costly, the opportunity for sustainable, rapid, and profitable growth, particularly in the commercial and retail segments, remains significant.*

*With the culmination of the legal and regulatory processes, we are now able to integrate our operations fully and deliver the expected benefits to shareholders and customers. The enlarged single entity is well-positioned to compete in the consolidating banking landscape. Our customers will experience continued improvements in the customer experience, improved convenience, greater and quicker access to financial support, with simple processes, products and communication. This is, indeed, a pivotal transaction for the Bank and one that will lead to significant and sustained increase in shareholder value.”*

### Conference Call & Webcast for Results

First City Monument Bank Plc (Bloomberg: FCMB NL) will be hosting a teleconference call and webcast for analysts and investors on **Tuesday 30 October** at **15.00 Lagos/ 14.00 London/ 10.00 New York/ 16.00 Johannesburg**, with its senior management to review FCMB Plc’s unaudited IFRS-compliant group results for the nine-months ended 30 September 2012 and reply to questions from investors and analysts.

The teleconference call facility can be accessed by dialing:

UK Access Number: +44 (0)20 3427 1913

USA Access Number: +1 718 354 1157

South Africa Access Number: +27 11 019 7076

And then entering the following confirmation code: 7940179

*Participants will have to quote the above code when dialling into the conference.*

Participants can log on to the link for the webcast by going to “Upcoming Events” on the FCMB’s Investor Relations homepage, which can be accessed by clicking on <http://investorrelations.firstcitygroup.com>

**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 ‘What’s New’ on FCMB’s Investor Relations homepage, which can be accessed by clicking on <http://investorrelations.firstcitygroup.com> from 15.00 Lagos/ 14.00 London on Monday 29 October.

For those who are unable to listen to the live call, the recording of the webcast will be available under ‘Corporate Reporting – 2012’ on the FCMB’s Investor Relations website, which can be accessed by clicking on

# Q3 2012 - Management Statement

---

<http://investorrelations.firstcitygroup.com> The webcast recording will be done in real-time, so will be available as soon as the conference call & webcast begins at 15.00 Lagos/ 14.00 London on Tuesday 30 October.

**For further information, please contact:**

**Ori Rewane (Head, Investor Relations)**

Tel: +234 1 279 3030

Email: [orighoye.rewane@firstcitygroup.com](mailto:orighoye.rewane@firstcitygroup.com)

**Yemisi Edun (Chief Financial Officer)**

Email: [yemisi.edun@firstcitygroup.com](mailto:yemisi.edun@firstcitygroup.com)

OR [institutionalinvestorrelations@firstcitygroup.com](mailto:institutionalinvestorrelations@firstcitygroup.com)

– ENDS –

## **Notes to editors:**

### **About First City Monument Bank Group Plc**

First City Monument Bank (FCMB) is a full service banking group, headquartered in Lagos, Nigeria.

FCMB is the flagship company of the First City Group, one of Nigeria's leading comprehensive financial services providers. From its early origins in investment banking as City Securities Limited in 1977, FCMB (established in 1982) has emerged as one of the leading financial services institutions in Nigeria, a top 10 bank with subsidiaries that are market leaders in their respective segments.

FCMB was incorporated as a private limited liability company on 20 April 1982 and granted a banking license on 11 August 1983. On 15 July 2004, the Bank changed its status from a private limited liability company to a public limited liability company and was listed on the Nigerian Stock Exchange by introduction on 21 December 2004.

The Bank completed the acquisition of FinBank Plc in February 2012 and subsequently merged with FinBank in October 2012. Following the merger, the FCMB Group now has 2 million customers, 280 branches and cash-centres spread across every state of the Federal Republic of Nigeria and a presence in the United Kingdom (through its FSA-authorized investment banking subsidiary, FCMB UK) and a representative office in the Republic of South Africa.

More information can be found at [www.firstcitygroup.com](http://www.firstcitygroup.com)

Head Office:

Primrose Towers,  
17A Tinubu Street,  
Marina,  
Lagos,  
Nigeria.

Tel: +234 1 279 3030