

PRESS RELEASE

Lagos, Nigeria – 26 April 2016

FBN HOLDINGS PLC. REPORTS PROFIT BEFORE TAX OF ₦22.1 BILLION FOR THE THREE MONTHS ENDED 31 MARCH 2016

FBN Holdings Plc. (“FBNH” or “FBN Holdings” or the “Group”) today announces its unaudited results for the three months ended 31 March 2016.

Income statement

- Gross earnings of ₦107.5 billion, down 15.2% year-on-year (Mar 2015: ₦126.8 billion)
- Net-interest income of ₦63.9 billion, up 7.2% year-on-year (Mar 2015: ₦59.6 billion)
- Non-interest income of ₦21.89 billion, down 25.2% year-on-year (Mar 2015: ₦29.3 billion)
- Operating income of ₦85.8 billion, down 3.4% year-on-year (Mar 2015: ₦88.8 billion)
- Impairment charge for credit losses of ₦12.8 billion (Mar 2015: ₦4.1 billion)
- Operating expenses of ₦50.96 billion, down 11.8% year-on-year (Mar 2015: ₦57.8 billion)
- Profit before tax of ₦22.1 billion, down 18.2% year-on-year (Mar 2015: ₦26.9 billion)
- Profit after tax: ₦20.7 billion, down 8.3% year-on-year (Mar 2015: ₦22.6 billion)

Statement of financial position

- Total assets of ₦4.1 trillion, marginally lower by 0.6% year-to-date (Dec 2015: ₦4.2 trillion)
- Customer deposits of ₦2.8 trillion, down 4.6% year-to-date (Dec 2015: ₦2.97 trillion)
- Customer loans and advances (net) of ₦1.76 trillion, down 3.0% year-to-date (Dec 2015: ₦1.82 trillion)

Key Ratios

- Post-tax return on average equity of 14.4% (Mar 2015: 17.0%)
- Post-tax return on average assets of 2.0% (Mar 2015: 2.0%)
- Net-interest margin of 8.1% (Mar 2015: 6.9%)
- Cost to income ratio of 59.4% (Mar 2015: 65.1%)
- NPL ratio of 21.5% (Mar 2015: 3.8%)
- 58.2% liquidity ratio (FirstBank (Nigeria)) (Mar 2015: 41.0%, Dec 2015: 58.6%)
- 17.2% Basel 2 CAR (FirstBank (Nigeria)) (Mar 2015: 15.5%, Dec 2015: 17.1%)
- 16.6% Basel 2 CAR (FBN Merchant Bank) (Dec 2015: 24.9%)

Notable developments

- Key leadership changes in First Bank of Nigeria Limited (“FirstBank” or “the Bank”)
 - Dr. Remi Oni appointed Executive Director, Corporate Banking, effective 15 Apr, 2016
 - Mrs Olusola Oworu, appointed Independent Non-Executive Director, effective 21 Jan, 2016 (subject to CBN’s approval)
 - Mr. Adetokunbo Abiru, Executive Director, Corporate Banking, retired effective 31 March, 2016
 - Mr. Abiodun Odubola, Chief Risk Officer, retired effective 31 Jun, 2016

Selected Financial Summary

(Nbillion)	Q1 2016	Q1 2015	Δ%	Key Ratios %	Q1 2016	Q1 2015
Gross earnings	107.5	126.8	-15.2	Post-tax return on average equity ¹	14.4	17.0
Interest income	83.5	95.3	-12.4	Post-tax return on average assets ²	2.0	2.0
Net interest income	63.9	59.6	7.2	Earnings yield ³	10.6	11.0
Non-interest income ⁴	21.9	29.3	-25.2	Net interest margin ⁵	8.1	6.9
Operating Income ⁶	85.8	88.8	-3.4	Cost of funds ⁷	2.3	3.8
Impairment charge for credit losses	12.8	4.1	212.5	Cost to income ⁸	59.4	65.1
Operating expenses	50.96	57.8	-11.8	Gross loans to deposit	67.5	67.7
Profit before tax	22.1	26.9	-18.2	Liquidity (FirstBank(Nigeria))	58.2	41.0
Profit after tax	20.7	22.6	-8.3	Capital adequacy (FirstBank (Nigeria))	17.2	17.1
Basic EPS (kobo) ⁹	228	274	-16.8	Capital adequacy (FBN Merchant Bank)	16.6	21.9
Total assets	4,142.6	4,511.4	-8.2	NPL/Gross Loans	21.5	3.9
Customer loans & advances (Net)	1,762.2	2,123.3	-17.0	NPL coverage ¹⁰	37.4	111.6
Customer deposits	2,835.3	3,207.2	-11.6	PPOP ¹¹ /provision (times)	0.9	2.7
Non-performing loans	410.7	83.7	390.9	Cost of risk ¹²	2.6	0.7
Shareholders' funds	575.2	542.5	6.0	Leverage (times) ¹³	7.2	8.3
				BVPS ¹⁴	16.0	16.6

Commenting on the results, UK Eke, the Group Managing Director said:

"The operating environment remains challenging, as shown by the 15.2% decrease in gross earnings to ₦107.5 billion in Q1 2016. However, we are confident that the changes that we have implemented, along with those we plan to implement, will strengthen our business model, and ultimately enable us restore value to our shareholders whilst building long-term sustainability into our businesses.

Building on the improvement recorded at the end of FY 2015, in our core efficiency ratio (cost to income) we are focused on driving further efficiency gains and entrenching operational excellence across all our operating companies. We will continue to streamline our business and focus on improving our risk management practices and containing costs. We will leverage the strength of our business model by maximising our synergies and cross-selling initiatives."

¹ Post-tax return on average equity computed as annualised profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders

² Post-tax return on average assets computed as annualised profit after tax divided by the average opening and closing balances of its total assets

³ Earnings yield computed as annualised interest income divided by the average opening and closing balances of interest earning assets

⁴ Non-interest income is net of fee and commission expenses

⁵ Net interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets

⁶ Operating income defined as Net interest income plus non-interest income

⁷ Cost of funds computed as annualised interest expense divided by average interest bearing liabilities

⁸ Cost to income ratio computed as annualised operating expenses divided by operating income

⁹ Basic EPS computed as annualised profit after tax attributable to shareholders divided by weighted average number of shares in issue.

¹⁰ NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs

¹¹ PPOP - Pre-provision operating profit computed as sum of operating profit and NPL provision

¹² Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances

¹³ Total assets divided by shareholders' equity

¹⁴ BVPS - Book Value Per Share computed as total equity divided by number of outstanding shares

Group Financial Review

Income Statement

Gross earnings closed 15.2% down y-o-y to ₦107.5 billion (Mar 2015: ₦126.8 billion) driven by a 12.4% y-o-y decline in interest income to ₦83.5 billion (Mar 2015: ₦95.3 billion) as well as a 25.2% y-o-y decline in non-interest income to ₦21.9 billion (Mar 2015: ₦29.3 billion). This is attributable to the slow business environment and restricted trade flows. The growth in net interest income was weakened by the 12.4% decline in interest income to ₦83.5 billion (Mar 2015: ₦95.3 billion) following a decrease in loans and advances to customers.

Net interest income increased by 7.2% y-o-y to ₦63.9 billion (Mar 2015: ₦59.6 billion); supported by a 45.2% y-o-y decline in interest expenses from ₦35.7 billion to ₦19.6 billion. This was driven by a deliberate strategy to re-price maturing wholesale deposits lower. Consequently, interest expenses on customers' deposits, now constitutes 76.7% of total interest and similar expenses (Mar 2015: 85.0%); the proportion of interest expense on borrowings to total interest expense increased to 18.0% (Mar 2015: 13.2%) while interest to banks makes up the balance of 5.3% (Mar 2015: 1.8%).

Cost of funds declined to 2.3% (Mar 2015: 3.8%) as we re-priced maturing deposits lower. Yields on customers' loans increased from 12.7% in prior period to 13.2%, while yields on investment securities declined to 9.0% from 11.2% due to a lower rate environment, with yields on bank loans relatively stable at 3.7% (Mar 2015: 3.8%). The blended yield on interest earning assets declined to 10.6% (Mar 2015: 11.0%). Accordingly, **net interest margins** improved to 8.1% (Dec 2015: 8.1%, Mar 2015: 6.9%) driven by the gains on funding costs. In view of the tightening rate environment, we expect funding costs to trend higher, albeit we would be defending our margin at current levels.

Non-interest income (NII) declined by 25.2% y-o-y to ₦21.9 billion (Mar 2015: ₦29.3 billion); primarily due to the decrease in earnings from trading gains (-85.6%) to ₦1.4 billion (Mar 2015: ₦9.7 billion). However, earnings on investment securities rose to ₦3.5 billion (Mar 2015: ₦0.2 billion) from increased volume of treasury activities. Fees and commission (F&C) income, now representing 75.3% (Mar 2015: 51.3%) of total non-interest income, grew by 9.8% to close at ₦16.5 billion (Mar 2015: ₦15.0 billion). This improvement was driven primarily by a 73.9% increase in electronic banking to ₦6.1 billion (Mar 2015: ₦3.5 billion), account maintenance (+119.2%) to ₦3.1 billion, credit related fees (+124.5%) to ₦1.5 billion as well as financial advisory fees (+118.4%) to ₦1.5 billion. Non-interest income to net revenue closed at 25.5% (Mar 2015: 32.9%). The decrease in contribution to net revenue is mainly due to the reduction in foreign exchange earnings in a relatively steady exchange rate environment coupled with restricted trading activities.

In line with our strategic initiatives, we will be driving revenue synergies in our businesses, by expanding our service offerings, increasing our cross-selling through our businesses, and in particular, enhancing the contribution of the non-commercial banking businesses to the Group. Some of the initiatives targeting revenue growth and overall earnings include: focusing on growing retail assets with shorter cycles and higher margins; growing digital banking products and electronic channel utilisation; leveraging technology to drive transaction volumes and non-interest revenue; promoting bancassurance; extracting the full benefits of our financial conglomerate by driving revenue synergies across the Group and changing focus from credit-led to transaction-led among others.

Operating expenses decreased by 11.8% y-o-y to ₺50.96 billion (Mar 2015: ₺57.8 billion) largely as a result of a decrease in staff cost (-4.2%) to ₺21.4 billion; regulatory cost (-3.9%) to ₺7.6 billion; maintenance (-10.3%) to ₺3.6 billion; advert and corporate promotions (-74.1%) to ₺0.9 billion; passages and travels (-33.1%) to ₺0.8 billion; as well as donations and subscriptions (-39.0%) to ₺0.3 billion. This is reflective of the benefits of improved control processes in budgeting and expenditure within the finance directorate with the total number of staff in the entire group (FBNHoldings) declining by 5.8% y-o-y to close at 9,312 (Mar 2015: 9,885).

Cost-to-income ratio improved to 59.4% (Mar 2015: 65.1%) on the back of the 11.8% y-o-y decline in operating expenses in spite of the 3.4% y-o-y decrease in operating income. We aim to extract further efficiencies in our business as we implement key cost optimisation initiatives; some of which include:

- Commencement of a group shared services platform and centralised procurement
- Improvement in procurement controls and processes within operating companies
- Tightening budget controls and monitoring, with scheduled release of funds on shorter timelines
- Workforce realignment to identify and manage duplication of resources and roles as well as delayering and eliminating jobs surplus to requirements.

Net impairment charge on credit losses of ₺12.8 billion (Mar 2015: ₺4.1 billion). The sectors impacted are primarily oil and gas, real estate and general¹⁵. The implementation of a revamped credit risk process has commenced. Given higher impairment charge year-on-year, **cost of risk** closed at 2.6% (Mar 2015: 0.7%), exacerbated by the decline in loans and advances over the period. **NPL ratio** also increased to 21.5% from 3.9% in the prior year. Aggressive remedial and recovery actions are on-going on the non-performing loan portfolio.

Profit before tax of ₺22.1 billion (Mar 2015: ₺26.9 billion), was lower by 18.2% y-o-y. Income tax expense for the year was ₺1.3 billion (Mar 2015: ₺4.3 billion), bringing the effective tax rate for the period to 6.0%.

Post-tax return on average equity of 14.4% (Mar 2015: 17.0%) and **post-tax return on average total assets** of 2.0% (March 2015: 2.0%), **Earnings per share** of ₺2.28 (Mar 2015: ₺2.74).

Statement of Financial Position

Total assets were flat at ₺4.1 trillion y-t-d (-0.6%). The decline in loans to customers by 3.0% y-t-d to ₺1.8 trillion (Dec 2015: ₺1.8 trillion) was mitigated by volume increase in treasury activities, including investment securities, cash and loans to banks. Total interest earning assets reduced by 1.8% y-t-d to ₺3.1 trillion from ₺3.2 trillion on lower customer loans, while balances on interest earning investment securities decreased by 2.4%. Interest earning assets as a percentage of total assets declined marginally to 75.2% (Dec 2015: 76.2%).

Total customer deposits declined by 4.6% y-t-d to ₺2.8 trillion (Dec 2015: ₺2.97 trillion), as we sustained efforts in achieving an appropriate deposit mix at the right price. As a result, the proportion of term deposits in our books has continued to drop; low-cost deposits now represent 69.2% of the Group's total deposits from 67.3% as at December 2015. The deposit book remains well diversified, providing high quality and sustainable funding, with retail deposits at ₺1.6 trillion, representing 70.2% of total deposits, corporate

¹⁵ General refers to Personal & Professional, Hotels & Leisure, Logistics

deposits representing 14.2% of total deposits (Dec 2015: 18.3%), while the proportion of public sector deposits remained flat from December 2015 at 10.2%.

Total loans & advances to customers (net) declined by 3.0% y-t-d to ₦1.76 trillion (Dec 2015: ₦1.82 trillion) driven largely by a 2.5% decline in customer loans in FirstBank (Nigeria). The sectors driving the decline include oil and gas services, manufacturing, consumer and general commerce. Corporate banking customers now constitute 68% of customer loans (Dec 2015: 72%) while retail loans make up 16% of the loan book (Dec 2015: 14%). The balance of 16% is split between public sector (7%) and commercial banking (9%). In coming periods, we will be diversifying the loan book further, as well as reducing the oil and gas exposure.

Shareholders' funds closed at ₦575.2 billion, down 0.6% y-t-d (Dec 2015: ₦578.8 billion); the 12.5% y-t-d increase in retained earnings to ₦183.6 billion (Dec 2015: ₦163.2 billion) was partly offset by a 42.7% decline in AFS fair value reserve to ₦32.2 billion (Dec 2015: ₦56.2 billion). The decline in AFS fair value reserve is attributed to unrealised losses arising during the period.

The **Capital adequacy ratio** of FirstBank (Nigeria) closed at 17.2% (Dec 2015: 17.1%); above the regulatory requirement of 16% for systemically important banks which is due to be enforced by the end of June 2016, while tier 1 ratio was 13.3% (Dec 2015: 13.3%). Capital adequacy ratio (CAR) for the banking group closed at 18.9% (Dec 2015: 18.0%), while the CAR for FBN Merchant Bank closed at 16.6 % (Dec 2015: 24.9%) above the 10% required by regulation.

Liquidity ratio closed at of 58.2% (Dec 2015: 42.5%) demonstrating the strong and stable funding profile.

Business Groups¹⁶:

Commercial Banking

- Gross earnings of ₦100.2 billion, down 18.4% year-on-year (Mar 2015: ₦117.2 billion)
- Net interest income of ₦62.2 billion, up 7.7% year-on-year (Mar 2015: ₦57.7 billion)
- Non-interest income of ₦18.4 billion, down 28.5% year-on-year (Mar 2015: ₦25.7 billion)
- Operating expenses of ₦47.1 billion, down 11.4% year-on-year (Mar 2015: ₦53.1 billion)
- Profit before tax of ₦20.8 billion, down 20.4% year-on-year (Mar 2015: ₦26.1 billion)
- Profit after tax of ₦19.9 billion, down 23.6% year-on-year (Mar 2015: ₦26.1 billion)
- Total assets of ₦3.93 trillion, down 1.1% year-to-date (Dec 2015: ₦3.97 trillion)
- Customers' loans and advances (net) of ₦1.77 trillion, down 2.5% year-to-date (Dec 2015: ₦1.82 trillion)
- Customers' deposits of ₦2.7 trillion, down 5.4% year-to-date (Dec 2015: ₦2.9 trillion)

Commenting on the results Dr. Adesola Adeduntan, the MD/CEO of FirstBank & its subsidiaries said:

"Q1 revenue performance demonstrates that the underlying business fundamentals remain strong despite a challenging macroeconomic and business environment, coupled with credit quality concerns. We remain committed to overhauling our credit processes and strengthening the overall control environment in the Bank as earlier outlined, while consolidating on the cost efficiencies that we have seen thus far in Q1 as we explore better and innovative solutions to best serve our customers, restore value to our stakeholders and regain our leadership position in the industry".

¹⁶ The pre-consolidation numbers of each of the business groups (net of intercompany adjustments) have been considered in discussing the performance of each business.

FirstBank (Nigeria)¹⁷ ("FirstBank")

Gross earnings declined by 19.5% y-o-y to ₦88.2 billion (Mar 2015: ₦109.6 billion). Though interest income declined by 12.0% y-o-y to ₦70.4 billion (₦80.0 billion), the deterioration in income was mitigated by a 47.2% reduction in interest expenses driven mainly by favourable interest rate movement, a deliberate strategy to re-price maturing expensive deposits lower and by the decrease in deposits volumes which resulted in higher (+8.3% y-o-y) net-interest income. While net-interest income increased by 8.3% to ₦54.9 billion (Mar 2015: ₦50.7 billion), non-interest income declined by 30.0% to ₦15.4 billion. Profit before tax dropped by 24.7% to ₦16.1 billion (Mar 2015: ₦21.3 billion) despite the decline in operating expenses. Total assets reduced by 1.5% y-t-d to ₦3.28 trillion (Dec 2014: ₦3.33 trillion), with net customers loans and advances decreasing by 3.2% y-t-d to ₦1.4 trillion (Dec 2015: ₦1.5 trillion). Customer deposits were lower by 5.1% y-t-d to close at ₦2.3 trillion (Dec 2015: ₦2.4 trillion). Low cost deposits represent 82.5% of total deposits (Dec 2015: 78.8%), driven in large part by growth in savings deposits. This is indicative of the level of confidence our customers have in us and of the sustained loyalty that the brand commands.

Cost efficiency improved with operating expenses declining by 12.2% y-o-y to ₦41.5 billion (Mar 2013: ₦47.3 billion) resulting in a further improvement in the Bank's cost-to-income ratio to 58.4% from 63.7% in the prior year. The biggest cost savings y-o-y were from advert and corporate promotions (-76.2%) to ₦0.8 billion, staff cost (-4.3%) to ₦17.4 billion, as well as passages and travel (-45.8%) to ₦0.7 billion. Within the commercial banking business, total number of staff declined by 7.9% y-o-y to 8,845 (Mar 2015: 9,601). To eliminate process redundancies, we are implementing an enterprise resource planning (ERP) framework. We have also recruited a new Head, Technology and Services with expertise in Shared Services which will further automate our operations and reduce our costs to serve. We are optimistic we can achieve further efficiencies across our business in a sustainable manner.

The asset quality challenges from 2015 persisted in the current quarter, resulting in an increased impairment charge year-on-year, as we continue to work on stabilising the portfolio through a conscious and disciplined approach. There is a renewed and enhanced focus on moderating risk appetite, risk management practices and culture in ensuring we achieve a strong loan and asset quality portfolio. The initiatives cover enhancing obligor profiling, more effective transaction structuring, proactive management and monitoring as well as active remediation processes with an aggressive recovery process. In line with this, there is an ongoing recruitment for a new Chief Risk Officer. In addition, new Head of Recovery has been recruited to drive aggressive recoveries. We expect the diligent pursuit of these initiatives to make strong positive impact on the Group's performance in due course.

We are leveraging technology with digital banking solutions at competitive prices to drive transaction volumes and non-Interest income. Other strategic revenue drivers include:

- selectively and prudently grow loan portfolio in key sectors with a disciplined approach to credit risk management with the overall objective of having a healthy portfolio;
- enhancing customer experience to increase stable and cost efficient deposits;
- improving service by implementing lean but effective processes;
- further centralising operations and providing critical sales enablers towards leaner branch processes and continuously improving service excellence to increase customer satisfaction and loyalty.

¹⁷ This relates to FirstBank Nigeria Only

Merchant Banking & Asset Management (MBAM)¹⁸

MBAM's total revenue decreased by 38.3% to ₦5.5 billion from ₦8.9 billion in March 2015, while profit before tax was down by 52.5% to ₦1.2 billion from ₦2.6 billion in March 2015. This performance is a reflection of the challenging operating environment and the uneven nature of the investment banking revenues. Macro headwinds continued to limit trading activity in the Equity and Fixed Income segments. Key investments in various industry segments were stalled in the first quarter waiting for government's policy direction. The Asset Management team sustained its strong performance with a +218% increase in Asset under Management (AuM) based on SEC registered funds to ₦103.1 billion (Mar 2015: ₦32.4 billion), rising to become the No. 1 Fund Manager in Nigeria by AuM as at 31st March 2016.

Outlook is cautiously optimistic, with steady growth expected from the Trust & Asset Management businesses. Although we have a growing pipeline of Investment Banking & Corporate Banking transactions, we are mindful that the overall environment remains challenged and increases the risk to successful deal completion. We anticipate a gradual pickup in business activity as from the second half of the year when government spending from budget implementation starts to boost economic activity.

Insurance

To ensure good governance in the industry, NAICOM is to enforce the regulations in the February 2009 corporate governance code to promote quality and efficiency as well as ensure the industry plays its critical role in financial market stability, investment and growth along with enhancing the overall perception of the industry. In particular, the provision which states that non-executive directors shall not be re-nominated and appointed for more than three terms of three years each could impact some insurance companies, necessitating reconstituting of some of the boards members. In line with the Group's practice, the boards of our subsidiaries in the insurance business group are in compliance with the code and continue to champion good practice. The regulatory authority has indicated intentions to commence the issuance of a unique identification number for every policy holder and launch a portal to warehouse the industry data. We expect our business to benefit from this initiative by accessing the historical records of policyholders towards efficiently accessing the level of risk and determining appropriate pricing.

The life business continues to be driven by the retail segment supported by strong agency network while the non-life, primarily corporate, has been negatively impacted by the reduction in economic activities. Overall, premium revenue and profitability continue to grow improving the rankings of the businesses in the industry. Revenue for the Insurance group increased by 7.9% y-o-y to ₦2.6 billion (March 2015: ₦2.4 billion) with profit before tax improving to ₦0.96 billion for the first quarter 2016, up by 11.4% y-o-y (March 2015: ₦0.9 billion). Total assets of the business closed at ₦26.0 billion, up 10.4% since Dec 2015 (Dec 2015: ₦23.6 billion).

We shall continue to take advantage of the low penetration of the retail insurance business in the country to build our premium income while maximising the synergy and cross selling opportunities within the group as we look forward to the opportunities in bancassurance once approved by NAICOM.

– ENDS –

¹⁸ Following the acquisition of the Merchant Banking License in the latter part of 2015, the Investment Banking and Asset Management business (IBAM) is now the Merchant Banking & Asset Management Business (MBAM)

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the audited results for the full year ending 31 December 2015 and unaudited results for the three months 31 March 2016 on **Wednesday 27 April 2016 at 3:00pm UK / 3:00pm Lagos / 10:00am New York / 4:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialling:

0708 060 1884 (Nigeria) **0800 279 4977** (UK) or **+44 20 3427 1914** (UK/Lagos); **+1 212 444 0412** or **+1877 280 2342** (US); or **0800 991 539** or **+27 11 019 7076** (South Africa)

And then entering the following confirmation code: **8514643#**

Participants are advised to register for the call at least five minutes before the start of the presentation.

For those who are unable to listen to the live call, a recording will be posted on the Company's website as soon as possible. Replay facilities are also available for a week after the call by dialling:

UK/Europe: **0800 358 7735** or **+44 20 3427 0598**; US: **+1 866 932 5017** or **+1 347 366 9565**

Passcode: **8514643#**

An investor presentation will be available on the FBNHoldings website on the day of the call (Wednesday 27 April 2016).

[Click here to access the presentation.](#)

The following related documents are also available on our website <http://ir.fbnholdings.com/>

- FY 2015 financial statements (audited)
- Q1 2016 financial statements (unaudited)

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FBN Holdings Plc.
STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		31 March	31 December	31 March	31 December
		2016	2015	2016	2015
		N 'million	N 'million	N 'million	N 'million
ASSETS					
Cash and balances with central banks	14	733,484	715,871	-	-
Loans and advances to banks	15	390,618	385,769	4,301	4,792
Loans and advances to customers	16	1,762,223	1,817,271	60	63
Financial assets at fair value through profit or loss	17	28,711	26,426	-	-
Investment securities					
-Available-for-sale investments	18	783,239	799,850	11,336	7,019
-Held to maturity investments	18	120,871	106,623	-	-
-Loans and receivables		3,326	7,306	-	-
Asset pledged as collateral	19	99,513	105,646	-	-
Other assets	25	54,891	35,483	1,601	4,670
Inventory	26	50,071	49,649	-	-
Investment properties	27	3,025	3,025	-	-
Investments in associates accounted for using the equity method	22	-	-	1,500	1,500
Investment in subsidiaries	20	-	-	263,595	263,595
Property, plant and equipment	23	87,073	88,398	1,099	1,192
Intangible assets	24	10,846	9,687	-	-
Deferred tax assets		14,694	14,615	-	-
		4,142,586	4,165,619	283,492	282,831
Asset held for sale	21	-	570	-	-
Total assets		4,142,586	4,166,189	283,492	282,831
LIABILITIES					
Deposits from banks	28	200,254	144,652	-	-
Deposits from customers	29	2,835,277	2,970,922	-	-
Financial liabilities at fair value through profit or loss		10,348	12,488	-	-
Current income tax liability	13	6,742	8,773	-	-
Other liabilities	32	217,827	168,441	6,776	5,751
Liability on investment contracts	33	10,225	10,157	-	-
Liability on insurance contracts		13,479	11,837	-	-
Borrowings	30	270,892	256,116	-	-
Retirement benefit obligations	31	2,123	3,764	-	-
Deferred tax liabilities		225	239	-	-
		3,567,391	3,587,389	6,776	5,751
Liabilities held for sale		-	-	-	-
Total liabilities		3,567,391	3,587,389	6,776	5,751
EQUITY					
Share capital	34	17,948	17,948	17,948	17,948
Share premium	35	252,891	252,892	252,892	252,892
Retained earnings	35	183,576	163,198	5,535	5,885
Other reserves					
Statutory reserve	35	66,647	66,647	-	-
Capital reserve	35	1,223	1,223	10	10
SSI Reserve	35	6,075	6,076	-	-
AFS Fair value reserve	35	32,204	56,241	331	345
Contingency Reserve	35	527	438	-	-
Statutory credit reserve	35	2,433	2,433	-	-
Treasury shares	35	-	-	-	-
Foreign currency translation reserve	35	8,072	8,029	-	-
		571,595	575,125	276,716	277,080
Non-controlling interest		3,600	3,675	-	-
Total equity		575,195	578,800	276,716	277,080
Total equity and liabilities		4,142,586	4,166,189	283,492	282,831

FBN Holdings Plc.

INCOME STATEMENT

	Note	GROUP		COMPANY	
		31 March	31 March	31 March	31 March
		2016	2015	2016	2015
		N 'million	N 'million	N 'million	N 'million
Continuing operations					
Interest income	5	83,457	95,308	148	46
Interest expense	6	(19,584)	(35,742)	-	-
Net interest income		63,873	59,566	148	46
Impairment charge for credit losses	7	(12,754)	(4,081)	-	-
		51,119	55,485	148	46
Net interest income after impairment charge for credit losses					
Insurance premium revenue	8	1,676	1,863	-	-
Insurance premium revenue ceded to reinsurers		(125)	(172)	-	-
Net insurance premium revenue		1,551	1,691	-	-
Fee and commission income	9	16,489	15,013	-	-
Fee and commission expense	9b	(2,144)	(2,234)	-	-
Net gains on foreign exchange		1,398	9,706	8	21
Net gains/(losses) on investment securities	10	3,465	163	2	(1)
Net gains from financial instruments at fair value through profit or loss	11	722	2,565	-	-
Dividend income		33	1,503	-	-
Other operating income		373	849	2	9
Insurance claims		(369)	(535)	-	-
Personnel expenses		(21,435)	(22,367)	(115)	(105)
Depreciation, amortisation and impairment		(3,586)	(3,461)	(93)	(93)
Operating expenses	12	(25,566)	(31,434)	(302)	(324)
Operating profit/ (loss)		22,051	26,944	(350)	(446)
Share of profit of associates		-	-	-	-
Profit/ (loss) before tax		22,051	26,944	(350)	(446)
Income tax expense	13	(1,327)	(4,341)	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		20,724	22,603	(350)	(446)
Discontinued operations					
Profit for the year from discontinued operations	21	-	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD		20,724	22,603	(350)	(446)
Profit/(loss) attributable to:					
Owners of the parent		20,467	22,361	(350)	(446)
Non-controlling interests		257	242	-	-
		20,724	22,603	(350)	(446)
Earnings per share attributable to owners of the parent					
Basic/diluted earnings/ (loss) per share (expressed in naira per share):	38				
<i>From continuing operations</i>		0.57	0.62	(0.01)	(0.01)
<i>From discontinued operations</i>		-	-	-	-
From profit/ (loss) for the period		0.57	0.62	(0.01)	(0.01)

- Notes to Editors -

FBN Holdings Plc. (ISIN: NGFBNH000009) is the most diversified financial services group in Nigeria. FBN Holdings Plc. was incorporated in Nigeria on 14 October 2010, following the business reorganisation of the FirstBank Group into a holding company structure. The Company was listed on the Nigerian Stock Exchange under the 'Other Financial services' sector on 26 November 2012 and now has issued and fully paid-up share capital of 35,895,292,792 ordinary shares of 50 kobo each (₦17,947,646,396). FBNHoldings has an unlisted Global Depository Receipt (GDR) programme. More information can be found on our website www.fbnholdings.com.

The subsidiaries of FBNHoldings offer a broad range of products and services across commercial banking in 12 countries (Lagos, Nigeria; London, United Kingdom; Paris, France; Johannesburg, South Africa; Beijing, China; Abu Dhabi, UAE; Kinshasa, Democratic Republic of Congo, Accra, Ghana; Banjul, Gambia, Conakry, Guinea, Freetown, Sierra Leone and Dakar, Senegal), merchant banking and asset management as well as insurance. The Group, employing about 9,300 staff, has about 11.8 million active customer accounts (in the principal subsidiary – FirstBank (Nigeria)), through about 860 business locations (615 local branches, 63 QSP, 68 agencies/cash centres for FirstBank (Nigeria) and 114 (local and international) subsidiary locations). The Group boasts an excellent corporate governance structure underpinned by strong institutional processes, systems and controls. FBN Holdings Plc. is structured essentially under three business groups, namely: Commercial Banking, Merchant Banking and Asset Management as well as Insurance.

Commercial Banking comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC¹⁹, West Africa²⁰ subsidiaries, representative offices in Abu Dhabi, Beijing, Johannesburg and Paris as well as First Pension Fund Custodian and FBN Mortgages. FBNHoldings' principal subsidiary is First Bank of Nigeria Limited (FirstBank), a commercial bank with operations in 12 countries offering banking services to both individual and corporate clients.

Merchant Banking & Asset Management comprises FBN Merchant Bank Limited and FBN Capital Group. Both entities are wholly owned by the holding company. The FBN Capital group comprises FBN Capital Ltd and its subsidiaries; FBN Securities Limited, FBN Capital Asset Management Limited, FBN Trustees Limited, FBN Funds Limited and FBN Capital Partners Limited. The group creates value by advising, financing, trading, investing and securing for our clients.

Insurance comprises FBN Insurance Limited (owned by FBNH 65% and Sanlam 35%) and FBN Insurance Brokers (100% owned subsidiary). The business group offers Life and General insurance services as well as insurance brokerage services.

¹⁹ Previously, Banque Internationale de Credit (BIC)

²⁰ Comprising locations in Ghana, Gambia, Guinea, Sierra Leone, Ghana and Senegal

Cautionary note regarding forward looking statements

This release contains forward-looking statements which reflect management's expectations regarding the Group's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend", "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to the Group's management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Forward-looking statements therefore speak only as of the date they are made.

FBNHoldings cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain risks or factors, reference should be made to the Group's continuous disclosure materials filed from time to time with the Nigerian banking regulatory authorities. The Group disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.