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FBN HOLDINGS PLC. REPORTS 21.3% RISE IN GROSS EARNINGS TO ₦480.6 BILLION FOR THE FULL YEAR ENDED 31 DECEMBER 2014

FBN Holdings Plc. ("FBNH" "FBN Holdings" or the "Group") today announces its audited results for the full year ended December 2014.

- Gross earnings of ₦480.6 billion, up 21.3% year-on-year (Dec 2013: ₦396.2 billion)
- Net interest income of ₦243.9 billion, up 6.0% year-on-year (Dec 2013: ₦230.1 billion)
- Non-interest income of ₦111.8 billion, up 66.1% year-on-year (Dec 2013: ₦67.3 billion)
- Operating income of ₦355.1 billion, up 19.8% year-on-year (Dec 2013: ₦296.4 billion)
- Impairment charge for credit losses of ₦25.9 billion, up 27.7% year-on-year (Dec 2013: ₦20.3 billion)
- Operating expenses[1] of ₦236.8 billion, up 27.5% year-on-year (Dec 2013: ₦185.8 billion)
- Profit before tax of ₦92.9 billion, up 1.7% year-on-year (Dec 2013: ₦91.3 billion)
- Profit after tax of ₦82.8 billion, up 17.3% year-on-year (Dec 2013: ₦70.6 billion)
- A cash dividend of ₦0.10k per 50 kobo share and a scrip (bonus) issue of one (1) Share for every ten Shares held amounting to a total distribution of ₦1.05k per share (Dec. 2013: ₦1.10k), and 11.0% dividend yield[2]

Balance Sheet Growth

- Total assets of ₦4.3 trillion, up 12.2% year-on-year (Dec 2013: ₦3.9 trillion)
- Customer deposits of ₦3.1 trillion, up 4.2% year-on-year (Dec 2013: ₦2.9 trillion)
- Customer loans and advances (net) of ₦2.2 trillion, up 23.2% year-on-year (Dec 2013: ₦1.8 trillion)

Key Ratios

- Pre-tax return on average equity of 18.7% (Dec 2013: 20.0%)
- Post-tax return on average equity of 16.7% (Dec 2013: 15.5%)
- Net interest margin of 7.6% (Dec 2013: 8.0%)
- Cost to income ratio of 66.7% (Dec 2013: 62.7%)
- NPL ratio of 2.9% (Dec 2013: 3.0%)
- 44.0% liquidity ratio (Banking group) (Dec 2013: 44.2%)
- 16.7% Basel 2 CAR (Banking group) (Dec 2013: 13.6%); 21.5% Basel 1 CAR: (Dec 2013:17.7%)

Notable developments

- FBN Holdings completed the acquisition of 100% equity of Kakawa Discount House Limited (Kakawa) which is now a direct subsidiary of FBNH.
- FBN Insurance Limited completed the acquisition of 100% equity interest in Oasis Insurance Plc.
- FirstBank acquired ICB Senegal to complete the acquisition of the International Commercial Bank's (ICB) West African operations.
- FirstBank concluded a US$450 million subordinated Tier 2 debt issuance in the international markets for general banking purposes.
- Dr. Adesola Adeduntan (FCA) was appointed as Executive Director and the Chief Financial Officer for FirstBank following the appointment of Mr Adebayo Adelabu as a Deputy Governor of the Central Bank of Nigeria.

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[1] This includes insurance claims. Insurance claims had previously been included in operating income computation
[2] Using the April 02, 2015 share price of ₦9.54

- Dr Hamza Sule Wurro Bokki was appointed as an Independent Non-Executive Director following the retirement of Lt. General Garba Duba (rtd). Additionally, in January 2015, Mr Omatseyin Akene Ayida and Otunba (Mrs.) Bosede Adebola Osibogun were appointed as Non-Executive Directors.

Selected Financial Summary

(₦billion)	FY 2014	FY 2013	∆%
Gross earnings	480.6	396.2	21
Interest income	362.6	323.6	12
Net interest income	243.9	230.1	6
Non-interest income	111.8	67.3	66
Operating Income[7]	355.1	296.4	20
Impairment charge for credit losses	25.9	20.3	28
Operating expenses	236.8	185.8	28
Profit before tax	92.9	91.3	2
Profit after tax	82.8	70.6	17
Basic EPS (kobo)[11]	255	216	18
Total assets	4,342.7	3,869.0	12
Customer loans & advances (Net)	2,179.0	1,769.1	23
Customer deposits	3,050.9	2,929.1	4
Non-performing loans	64.8	54.3	19
Shareholders' Funds	522.9	471.8	11

Key Ratios %	FY 2014	FY 2013
Pre-tax return on average equity[3]	18.7	20.0
Post-tax return on average equity[4]	16.7	15.5
Pre-tax return on average assets[5]	2.3	2.6
Post-tax return on average assets[6]	2.0	2.0
Net interest margin[8]	7.6	8.0
Cost of funds[9]	3.5	3.3
Cost to income[10]	66.7	62.7
Gross loans to deposit	72.8	61.9
Liquidity (Banking Group)	44.0	44.2
Basel 2 Capital adequacy (Banking Group)	16.7	13.6
Basel 2 Tier 1 CAR (Banking Group)	12.5	11.6
NPL/Gross Loans	2.9	3.0
NPL coverage[12]	137.9	97.7
PPOP[13]/impairment charge (times)	4.6	5.4
Cost of risk[14]	1.3	1.2
Leverage (times)[15]	8.3	8.2

Commenting on the results, Bello Maccido, the Group CEO said:

"The Group recorded a strong financial performance in 2014, in spite of the highly challenging operating environment particularly for our flagship business, First Bank of Nigeria. As such, the performance by the Banking Group is a testament to the underlying strength of our commercial banking business which is built on an extensive retail network and a robust information technology platform. Notwithstanding the tough operating environment, the Group showed commendable growth across all the key performance indicators

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[3] Pre-tax return on average equity computed as profit before tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders
[4] Post-tax return on average equity computed as profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders
[5] Pre-tax return on average assets computed as profit before tax divided by the average opening and closing balances of its total assets
[6] Post-tax return on average assets computed as profit after tax divided by the average opening and closing balances of its total assets
[7] Operating income defined as gross earnings less (interest expense + share of profits from associates)
[8] Net interest margin computed as net interest income divided by the average opening and closing balances in interest earning assets
[9] Cost of funds computed as interest expense divided by average interest bearing liabilities
[10] Cost to income ratio computed as operating expenses divided by operating income
[11] Basic EPS computed as profit after tax attributable to shareholders divided by weighted average number of shares in issue.
[12] NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs
[13] PPOP - Pre-provision operating profit computed as sum of operating profit and credit impairments
[14] Cost of risk computed as credit impairment charges divided by the average opening and closing gross loans balances
[15] Total assets divided by shareholders' equity

buoyed by the complementary performance of our non-bank subsidiaries with gross earnings growing by 21.3% to ₦480.6 billion and Profit before tax at ₦92.9 billion".

"We remain focused on diversifying our revenue streams through the extraction of value from our recent bank acquisitions, consolidating our position in the investment banking space, especially with the acquisition of Kakawa, and expanding our insurance business scope. Our investment in technology, human capital and portfolio expansion are beginning to shape the long-term fundamentals of the Group and will deliver a positive return on investment over the longer term. However, in the short to medium term we continue to ensure our business remains as resilient as can be to the shifts in the regulatory and macro-economic environment; shore up our risk management processes; and, drive efficiencies across the Group."

Group Financial Review

Income Statement

Gross earnings increased by 21.3% y-o-y, 44.2% q-o-q to ₦480.6 billion, supported by strong growth in non-interest income at ₦111.8 billion (+66.1% y-o-y, 54.5% q-o-q), followed by a 12% y-o-y and 18% q-o-q growth in interest income to ₦362.6 billion. The growth in non-interest income was driven primarily by growth in foreign exchange income as well as fees and commission income. Overall, gross earnings have been supported by increased business volume as well as enhanced treasury management activities.

Net interest income increased 6.0% y-o-y and 9.8% q-o-q to ₦243.9 billion (Dec 2013: ₦230.1 billion) despite 27.0% y-o-y increase in interest expense. Net interest income grew by ₦67.4 billion in the last quarter, slightly stronger than the earlier quarters, primarily due to +6.9% y-o-y and +56.5% q-o-q increase in income from investment securities, followed by a 346.4% q-o-q increase (+10.3% y-o-y) in interest on loans and advances to banks as FirstBank benefits from being a net placer in the interbank market. Income on loans and advances to customers grew 14.2% y-o-y to ₦251.2 billion. Interest income was supported by re-pricing and reallocation of assets and investments to the shorter end of the curve given the increasing interest rate environment. The composition of Interest on customers' loans and advances to interest income was sustained at 69.3%, income from securities at 25.4%, followed by income from loans and advances to banks at 5.3%.

Interest expenses grew 27.0% y-o-y (+34% q-o-q) to ₦118.7 billion, reflecting a higher interest rate environment driven by increased cash reserve requirements on public and private sector deposits, heighted competition for deposits among financial institutions as well as monetary policy rate (MPR) review in the last quarter of the year from 12% to 13%. The increase in MPR also led to an increase in the minimum savings deposit rate (30% of MPR) to 3.9% from 3.6%, further impacting our interest expense. Additionally, pressure on interest expenses is attributable to the increased use of LC issuance lines from corresponding banks, full year impact of the interest payment on the $300 million subordinated debt issued in 2013, interest payment on the $450 million subordinated Tier 2 debt issued in the international markets in July 2014, as well as other borrowings. Interest expenses on customers' deposit, constituting 82.6% of total interest and similar expense, grew 23.3% y-o-y and 8% q-o-q to ₦98.0 billion with interest on borrowings, which is 15.2% of total interest expense, increasing by 58.1% y-o-y and 121% q-o-q to ₦18.0 billion.

Expectedly, increased interest expenses resulted in higher cost of funds at 3.5% (Dec 2013: 3.3%). Yields on bank loans, customers' loans and investment securities were 4.3%, 12.7% and 11.8% respectively with an overall blended average yield on interest earning assets at 11.3% (Dec 2013: 11.2%). Consequently, net interest margins closed at 7.6% (Dec 2013: 8.0%).

Non-interest income (NII) grew strongly by 66.1% y-o-y, 54.5% q-o-q to ₦111.8 billion (Dec 2013: ₦67.0 billion); driven primarily by a 12.8% y-o-y growth in fees and commission (F&C) income to ₦67.0 billion (Dec 2013: ₦59.4 billion). Net fees and commission income make up 54.4% of the non-interest revenue. In addition, foreign exchange income rose to ₦44.9 billion (Dec 2013: ₦6.7 billion) on the back of enhanced treasury activities, increased volume of trade business and favourable exchange rate.

The increase in F&C income reflects the growing effectiveness of the various strategic initiatives put in place to enhance non-funded income across the Group. Commission on turnover (COT) remains the highest component of non-interest income contributing 22.8% (Dec 2013: 29.7%). COT declined as a result of the implementation of the CBN directive on reduction in COT charges from ₦3/mille in 2013 to ₦2/mille in 2014. Notwithstanding the 33% regulatory reduction, COT income only declined 13.2% y-o-y to ₦15.3 billion (Dec 2013: ₦17.6 billion) reflecting enhanced monitoring of covenants tied to business volumes. We are focussed on broadening non-interest income. This is demonstrated through improved y-o-y growth in our electronic banking fees, +49.9% to ₦11.5 billion; remittance fees, +50.1% to ₦5.1 billion; letters of credit commission and fees, +21.3% to ₦6.6 billion and other fees and commission, which include contributions and commissions received from our non-banking subsidiaries, +52.0% to ₦9.7 billion.

The contribution of non-interest income to net revenue improved to 31.4% (Dec 2013: 22.6%). This is a result of some of the initiatives developed, implemented and executed towards driving increased business generation and enhancement of non-interest income. These include:

- monitoring and enforcing transaction covenants to ensure appropriate COT is charged;
- increasing focus on banking the value chain within the public sector and the institutional banking space;
- driving the mobile banking business through focused financial inclusion/banking convenience awareness and increasing the number of customers, agents and transaction value;
- reviewing the Bank’s operating model in line with the evolving business environment to ensure strategic realignment and optimal use of available resources;
- increasing the contribution of treasury management;
- focusing and deepening transaction banking services to improve collections;
- growing low-cost deposits;
- retaining funds through offering effective e-Payment and liquidity management solutions;
- creating an integrated middle office to boost the productivity of relationship managers through a sustainable engagement that engenders excellent customer service experience to drive repeat sales; and,
- sustaining awareness and drive to enhance cross sell initiatives, improve performance and returns from other subsidiaries to provide diversified and sustainable revenue for the Group.

Operating expenses increased by 27.5% y-o-y to ₦236.8 billion (Dec 2013: ₦185.8 billion) driven primarily by staff cost +21.3% y-o-y to ₦79.8 billion, regulatory cost (+21.0%) to ₦30.2 billion and advert and corporate promotions +52.7% y-o-y to ₦12.7 billion. Staff cost which make up 33.9% (Dec 2013: 35.5%) of operating expenses grew 21.3% as a result of an increase (+641 staff) in the number of staff across the Group and following the acquisition of Oasis (+34), Kakawa Discount House (+73) and FBN Senegal (+68), aligning the compensation structure of the acquired West African subsidiaries with that of the FBN Group as well as promotion of staff across the FBN Group legacy businesses. There were no increases in staff salaries during the year. Headcount across the Group closed at 10,463 with 94% of personnel allocated to the Banking Group. 87.8% of the global staff work from Nigeria, 5.4% from the DRC, 1.5% from Europe and the balance of 5.3% from the West African subsidiaries including the representative offices across the globe. We are critically reviewing staff cost with the aim of increasing the efficiency and productivity per staff. We are realigning the proportion of market facing to back office personnel; ensuring appropriate manning levels for all functions; and, re-evaluating the required number of staff to carry out various tasks across the Group.

Regulatory costs[16], which are 12.8% of total operating expenses, increased by 21.0% y-o-y to ₦30.2 billion (Dec 2013: ₦24.9 billion). Of this amount, AMCON resolution cost grew faster at 23.7% y-o-y to ₦17.1 billion on the back of increased total assets while deposit insurance premium increased by 17.7% to ₦13.0 billion due to increased customer deposits. In an attempt to drive increased awareness of the refreshed brand and the products and services offered as well as other business related costs towards generating increased sustainable business volumes locally, in the newly acquired jurisdictions and globally, advert and corporate promotion closed at ₦12.8 billion. Due to the full year consolidation of subsidiaries acquired in late November 2013 as well as the relative proportion of those acquired in 2014 (ICB Senegal, Oasis Insurance and Kakawa Discount House), in addition to progress on integration of these businesses, communication, lights and power costs rose by 102.5% y-o-y to ₦6.2 billion.

Given the above dynamics, **cost-to-income ratio** closed at 66.7% (Dec 2013: 62.7%).We expect to see some improvement in the costs profile of the Group in the medium term as we continue to implement some of the initiatives we have put in place to drive efficiencies, including but not limited to:

- reorganising the procurement process for greater focus and monitoring;
- improving the workforce productivity and re-alignment/optimisation of organisation structure (including rejuvenation of the work force);
- deploying IT solutions in head office middle and back offices to improve efficiency and effectiveness but ultimately to reduce the FTE[17] deployed to those sections of the Bank
- expanding the central processing centre to further improve automation;
- slowing down branch expansion and continuous appraisal of branch performance as well as closing non-performing branches; and,
- migrating additional transactions to e-banking platforms and other touch points.

Net impairment charge on credit losses grew by 27.7% y-o-y to ₦25.9 billion (Dec 2013: ₦20.3 billion). This was essentially driven by recognition of impairment in some small to medium sized exposures to fast track remedial action in line with the delinquency management/loan workout process to prevent future deterioration in some already impaired accounts. As such, the proportion of collective impairment on the impairment on loans to customers moved up to 14.9% from 5.0% in 2013.

Consequently, **cost of risk** increased marginally to 1.3% (Dec 2013: 1.2%). We are focusing on being more selective and on having tighter risk acceptance criteria. We have put in place a more proactive document administration, collateral management, credit monitoring and collection support through our newly created middle office, portfolio tracking for prompt identification of early warning signs of deterioration in the

[16] Regulatory costs are computed based on the previous year closing balances
[17] Full-Time Equivalent

portfolio, revamped remedial and recovery process with increased senior management involvement, in addition to re-instituting a more conscious risk environment through training, coaching and stricter sanctions for non-performance.

NPL ratio declined marginally to 2.9% (Dec 2013: 3.0%). Adequate provisions have been made on the impaired assets with coverage ratio being 137.9%[18] (Dec 2013: 97.7%). We will continue to reinforce loan growth within our preferred sectors and defined risk appetite as well as proactively manage and drive efficiency within our portfolio.

Profit before tax stood at ₦92.9 billion (Dec 2013: ₦91.3 billion), up 1.7% y-o-y. Income tax expense for the year was ₦10.0 billion (Dec 2013: ₦20.7 billion). This improved the effective tax rate to 10.8% from 22.7%. This was primarily driven by an increase in the tax exempt income from utilising available capital allowances. This performance translates into **pre-tax return on average equity** of 18.7% (Dec 2013: 20.0%) **and post-tax return on average equity** of 16.7% (Dec 2013:15.5%).

Earnings per share closed at ₦2.55 (Dec 2013: ₦2.16).

[18] Including statutory credit reserve

Statement of Financial Position

Total assets increased by 12.2% y-o-y to ₦4.3 trillion driven by growth in lending activities. Interest earning assets grew by 11.4% to ₦3.4 billion. Notwithstanding, as a proportion of total assets, interest earning assets were flat at 78% in spite of growth in total assets. This was largely due to a 65% growth in mandatory reserve deposits (₦564 billion, Dec 2013: ₦341 billion) following increased cash reserve ratios during the year.

Total customer deposits grew by 4.2% y-o-y to ₦3.1 trillion (Dec 2013: ₦2.9 trillion). During the year, public sector deposits (current and domiciliary) decreased by 39.6% to ₦424.2 billion due to a strategic and concerted effort to re-price these deposits to reflect the actual impact on our business as well as increased operational use of the funds by underlying beneficiaries. Public sector deposits now represent 16.6% of total deposits (Dec 2013: 27.5 %). The need to re-price public sector deposits follows the increase in the cash reserve ratio on public sector funds in addition to implementation of the planned Treasury Singe Account (TSA). Retail deposits, up 17.8% to ₦1.5 trillion at year end, now constitute 57.3% (Dec 2013: 48.7%) of the Bank's total customer deposits while deposits from corporate and institutional customers make up 19.6%.

Savings deposits continue to grow steadily, constituting 23.9% (Dec 2013: 22.7%) of total deposits, closing at ₦728.7 billion (+9.5% y-o-y), while foreign currency deposits represent 16.9% (₦515.5 billion) of the Group's total deposits (Dec 2013: 21.0%) but 20.1% (Dec 2013: 24.0%) of the Bank's deposits.

The Group continues to enjoy access to low-cost deposits which ensures cheap and sustainable deposits to support the business. Low-cost deposits constitute 75.9% of FirstBank deposits and 65.3% of total Group's deposits. Our overall strategic intent is to have an efficiently balanced deposit mix, in line with the evolving business environment, to ensure optimal use of available resources. Thus, we have deepened coverage in our retail business.

The CRR impact within FirstBank at year end was 22.0% (₦560 billion) of customer deposits, with private sector CRR constituting 72% of total sterilised deposits. CRR represents 18.4% of total customer deposits across the Group.

Cost of funds inched up to 3.5% from 3.3% following increased cash reserve requirements on public and private sector deposits, heighted competition for deposits among financial institutions and the tight monetary policy environment which culminated in a rate review in the last quarter of the year from 12% to 13%. In addition, interest payments on borrowings have contributed to the additional funding costs. We expect funding costs to be stable to slightly higher given the increasingly tight liquidity in the market and as impact from the implementation of the TSA by the government. Overall, we expect heightened competition. Given our strong franchise, distribution network, improving service as well as our focus on transaction banking services, workforce realignment towards the front office to enhance customer touch-points and deepen revenue generation, we will continue to grow our deposits liabilities in a sustainable manner to support business growth.

Total loans & advances to customers (net) grew by 23.2% y-o-y to ₦2.2 trillion (Dec 2013: ₦1.8 trillion) driven largely by loan growth in FirstBank - Nigeria only at (+21.7%). Sectors driving loan growth on a y-o-y basis were the general commerce, construction, oil and gas and power. Corporate and institutional banking customers constitute 70% of the loan book with retail loans at 16.1%. In line with our strategic intent on focusing on assets that will generate higher yields, loans to commercial banking customers now constitute 6.4% (Dec 2013: 2.2%) of the loan book.

Given the recent devaluation of the Naira and the oil price decline, the impact on the Group's portfolio is reasonably covered, in view of the structure of most of the transactions. Generally, FX loans are backed by FX cashflows to provide a natural hedge against currency volatility. In addition, the risk from the falling oil price, especially on the upstream sector, is moderated as the cashflows of the obligors financed have been rigorously stress-tested for low crude price at $40/bl, the outcome of which suggests there will be need for tenor elongation between 1 – 2 years in order for their cashflows to meet repayment obligations, while the normal operating activities of the corporates continues. Furthermore, forward and hedged contracts, as well as off-take agreements, are in place to moderate risks.

In the downstream sector, a greater proportion of the Bank's exposures are short term/self-liquidating trade transactions. Moreover, the country runs a regulated regime where customers are guaranteed payment under the subsidy scheme once delivery is verified by government agencies.

In oil & gas services, loans financed are based on confirmed invoices from major International Oil companies to contractors that have proven track records of performance, as detailed in our target market and risk acceptance criteria, strong cash flows and healthy margins stress-tested to cover payment delays.

A weaker currency had a 560bps impact on the loan book, indicating real net loan growth of about 17.5%. We continue to be highly selective about the customers granted credit facilities. The focus in coming periods is to further diversify the loan book by reducing the exposure to the oil and gas sector via a combination of reducing credit lines to outright cancellation. Most of our customers are large companies with capacity to absorb higher operating cost arising from the currency shock or with ability to pass through same to their customers. Enhanced portfolio monitoring and proactive remediation strategies are also in place for Retail/Consumer exposures that are vulnerable to Naira devaluation. Overall, the foreign currency component of the loan book is about 45.9% (Dec 2013: 33.3%).

Shareholders' equity closed at ₦522.9 billion, up 10.8% y-o-y (Dec 2013: ₦471.8 billion).

The Commercial Banking Group achieved a Basel 2 **capital adequacy ratio** of 16.7%[19] (Dec 2013: 13.6%), tier 1 ratio of 12.5% (Dec 2013: 11.6%). As a result of increased capital requirements by the regulator, occasioned by the adoption of Basel 2 Capital Accord, First Bank of Nigeria Limited has reduced its pay-out ratio and retained substantial portion of its profit to boost capital. This has impacted the capacity of FBN Holdings Plc. to pay dividends; hence the proposed cash dividend of ₦0.10k per Share and a scrip issue of one (1) for every ten (10) Shares held, translating to an 11.0% dividend yield[20], and retention of ₦79.6 billion. We are confident that, following the retention, the capital adequacy ratio of FirstBank is adequate for its business in the short to medium term. As such, FBN Holdings Plc. has no immediate plans for any capital raising exercise especially given the currently depressed prices in the capital market.

[19] Following the devaluation, there was a probable 67bps impact on the capital adequacy ratio, implying Basel 2 CAR would have been estimated at 17.2%.
[20] Using the April 02, 2015 share price of ₦9.54

The Group remains resilient to the volatility of the operating environment through sound and effective management and continues to generate strong results. We are committed to driving enhanced profitability through improved revenue generation, cost optimisation and increasing efficiencies.

Business Groups[21]:

Commenting on the results for the Commercial Banking Group, GMD/CEO of First Bank of Nigeria Limited, Bisi Onasanya said*:*

"The financial year 2014 witnessed many activities in monetary and fiscal policies due to the monetary tightening stance of the Central Bank of Nigeria (CBN). Notwithstanding the impact of these policies on our business, First Bank of Nigeria delivered strong results with Gross earnings growing by 22.1% to ₦455.4 billion and profit before tax increasing by 9.1% to ₦94.5 billion".

"In response to the regulatory changes and business environment, we revised the Bank's operating model to ensure strategic realignment and optimal use of available resources to take advantage of the increasing growth opportunities in retail banking. Although FirstBank remains the biggest bank by balance sheet size in sub-Saharan Africa, our focus in coming periods will be to optimize our resources towards improved efficiency and profitability rather than size. We are confident that FirstBank is well positioned to drive targeted improvement and reinforce our appeal as the Bank of first choice."

The Commercial Banking Group offers banking services to both individual and corporate clients. The entities that fall under this business group are: First Bank of Nigeria Limited, FBN Bank (UK), FBNBank DRC[22], West Africa[23] subsidiaries, our representative offices in Abu Dhabi, Beijing, Johannesburg and Paris as well as First Pension Fund Custodian and FBN Mortgages. Gross earnings rose by 22.1% y-o-y to ₦455.4 billion (Dec 2013: ₦372.8 billion). Net interest income increased by 7.0% to ₦239.6 billion (Dec 2013: ₦223.8 billion) and non-interest income by +73.5% to ₦99.3 billion. Profit before tax increased by 9.1% to ₦94.5 billion (Dec 2013: ₦86.6 billion). Total assets increased by 10.3% y-o-y to ₦4.1 trillion (Dec 2013: ₦3.7 trillion), with net customers loans and advances closing at ₦2.2 trillion (+22.0% y-o-y). Customer deposits increased marginally (+1.6%) to ₦3.0 trillion (Dec 2013: ₦2.9 trillion).

First Bank of Nigeria Limited[24] ("FirstBank")

Gross earnings rose by 21.0% y-o-y to ₦410.6 billion (Dec 2013: ₦339.3 billion); net interest income increased by 4.2% to ₦215.4 billion (Dec 2013: ₦206.7 billion) and non-interest income increased by +78.1% to N88.0 billion due to a one-off exchange rate movement gain on the long position of the Bank's foreign currency balance sheet and to a lesser extent other income largely from private banking services. Profit before tax increased by 5.9% to ₦81.4 billion (Dec 2013: ₦76.9 billion). Total assets increased by 7.5% y-o-y to ₦3.5 trillion (Dec 2013: ₦3.2 trillion), with net customers loans and advances closing at ₦1.8 trillion (+21.7% y-o-y). Customer deposits were flat at ₦2.6 trillion (Dec 2013: ₦2.6 trillion).

The Bank has continued to develop and deepen alternative revenue sources through the e-business platform. This growth in electronic banking fees (+49.9% y-o-y) at ₦11.5 billion, is reflective of the initiatives on this front and increasing use of alternative platforms. Our internet banking channel – FirstOnline - has witnessed impressive growth from 2013**.** The revamped Internet banking solution which was launched in November 2013 provided a more responsive, easy to use, online banking portal for our customers. This was evident by the significant growth of 81% in the number of successful transactions processed, growing from ₦378 billion in 2013 to ₦685 billion in 2014.

[21] The pre-consolidation numbers of each of the business groups have been considered in discussing the performance of each business.
[22] Previously, Banque Internationale de Credit (BIC)
[23] Comprising locations in Ghana, Gambia, Guinea, Sierra Leone, Ghana and Senegal
[24] This relates to FirstBank Nigeria Only

The card business continues to grow with an increasing number of retail customers. As at year end, there were 6.9 million retail customers with cards. Invariably we have sustained our market share of Verve cards now at 39%, with an activity rate at 87%. As the Bank with the largest ATM network in Nigeria with over 2,597 (Dec 2013: 2,437), we continue to employ effective monitoring tools to ensure service availability on our ATMs. The Bank has about 35% of the total industry transaction volumes as at December, 2014 and dispensed over ₦2.1 trillion to both customers (₦1.5 trillion) and non-customers (₦0.6 trillion). This represents a 24% growth from the previous year (Dec 2013: ₦1.7 trillion). Also, in line with the cashless Nigeria initiative, we have been promoting non-cash ATM transactions through awareness campaigns.

The Bank is leading in promoting financial inclusion in the country with the provision of mobile banking services. Our mobile banking solution - Firstmonie has a network of 12,567 agents (Dec 2013: 10,134) to cater for the needs of our large and growing customer base, particularly those in remote areas with limited access to our branches. Enrolments increased in the current year with 1.7 million subscribers signing up. Total number of subscribers is now at 2.2 million with over 500,000 customers being non-account holders. Transaction volumes on Firstmonie also witnessed a remarkable growth of over 533% to ₦26.4 billion in 2014. Through these platforms, we provide cheaper, faster and more convenient alternatives for our customers to perform their transactions.

To further support the financial inclusion initiative, the second instalment payment of $1.23 million from the Bill and Melinda Gates Foundation (BMGF) was received during the year having met the grant target to qualify for the second grant payment. This gesture reinforces BMGF's belief in the Firstmonie scheme as a veritable tool to capture the unbanked population in Nigeria. The scheme has received to date a total of over $4.2 million in grants from BMGF out of the USD$12-million grant to be disbursed over a 4-year period.

FBNBank UK

The UK economy continues to show signs of improvement with unemployment slowly easing downwards to around 6% and the economy experiencing more stability. Growth was 2.6% in 2014 and is expected to be 2.7% in 2015.

The UK Banking environment remained challenging in 2014 as regulators continued to set and enforce strict operating rules. The regulatory environment remained challenging as regulatory rules were further tightened (increase in liquidity stress factors) to promote stability and soundness of the financial system. Banks continued to receive close scrutiny from both the PRA and FCA[25] as part their new approach to regulation. During the course of the year we spent a considerable amount of time and resources improving our anti-money laundering and sanction control system to ensure we are fully compliant and well-resourced. Cost of regulation has increased over the past year, and is expected to increase further this year as the Bank complies with all relevant regulatory requirements.

FBNBank UK continues to benefit from a strong understanding of our target market and the environment in which we operate. We followed our customers' trade flows when expanding our footprint in 2014, and also deepened our expertise in key business areas. This mix has provided for strong deal flow and better service offerings to customers. We also continue to look for synergies across the Group and increasing cooperation in areas that represent strong focus for the Group. Furthermore, given falling commodity prices, particularly

[25] PRA- Prudential Regulatory Authority, FCA – Financial Conduct Authority

crude oil, FBNBank UK has conducted stress tests of exposures in a scenario of further falls in commodity prices with each exposure being considered on its own merit. This situation will continue to be monitored closely as it relates to our business.

Overall, FBNBank UK gross earnings increased by 7.7%[26] y-o-y to ₦27.0 billion, while net interest income grew by 14.1% to ₦16.1 billion and non-interest income increased by 7.6% to ₦3.3 billion. The increase in gross earnings compared to the prior year resulted from the expansion of customer lending activities. In addition, the portfolio of earning assets increased by 8.93% for the year to ₦611.9 billion driven by an increased lending and profitable assets mix. Profit before tax increased by 8.0% to ₦9.2 billion. Total assets grew by 23.1% to ₦659.7 billion; driven by growth in customer deposits (+23.5% to ₦413.9 billion) generated to support lending activities (+12.5% to ₦369.7 billion) towards short-term trade and commodity-related assets, mortgages and structured finance assets. Total shareholders' equity increased by 6.0% to ₦62.8 billion, as a result of increased profit retention to strengthen the capital base.

Liquidity remained strong in line with the regulatory buffer asset requirements. In addition, significant highly liquid money market instruments were held to support liquidity requirements. Loans and advances to customers were largely funded by customer deposits, long-term wholesale debt and equity. Wholesale deposit funding was mostly matched with assets of a similar tenor to mitigate unnecessary liquidity stress.

FBNBank DRC[27] (BIC)

In the Democratic Republic of Congo, FBNBank DRC continues on a growth trajectory in spite of a tough operating environment. Gross earnings increased by 16% to ₦9.7 billion (Dec 2013: ₦8.4 billion) with profit before tax down to ₦1.0 billion (Dec 2013: ₦1.4 billion) as a result of increased operational costs owing to heightened political risks. Total assets grew by 19.0% to ₦63.8 billion (Dec 2013: ₦53.6 billion). Net loans to customers increased 35.9% to ₦32.3 billion while Customer deposits closed at (+21.6%) ₦52.5 billion (Dec 2013: ₦43.2 billion).

The decline in profitability notwithstanding, FBNBank DRC is the 4th most profitable bank in absolute terms in 2014, whilst it leads the pack on pre-tax returns on equity. Retail and corporate banking constitute 82.9% of the loan book driven by general commerce, retail and SME. Funding is primarily from equity and deposit at 86.9%. Risk assets remains largely concentrated in the capital – Kinshasa.

[26] Actual performance has been reported in relative terms using the currency of jurisdiction. The absolute amount recorded in the previous year have been stated notwithstanding. The movement in exchange rates accounts for difference in the growth rate.
[27] The name BIC has been changed to FBNBank DRC following the rebranding exercise in 2014.

First Pension Custodian Nigeria Ltd. ("FPCNL")

Regulatory framework continued to evolve with the signing into law of the Pension Reform Act 2014, which repealed the previous Pension Reform Act 2004. The major thrust of the Act is the upward review of the minimum rate of pension contribution from 15% to 18%. The provisions of the Act also expanded the pension base as it revised the obligatory criteria by bringing organisations with as few as three employees into the contributory pension scheme. The new Act also removed section 73 of the old Act such that PFAs can now invest in the shares of financial holding companies. The expectation is that more workers would be brought under the contributory pension scheme and drive further growth in the global assets resulting in increased assets under custody. Based on current RSA registrations, it is estimated that the provisions of the new Act will increase registrations to 7.1 million pension savers by end of 2015 from 6.5 million in 2014.

During the year, based on CBN directive, all Banks and Discount Houses appointed custodians for Money Markets and Other Fixed Income Instruments license and outsourced their non-proprietary assets. This further increased the asset base of some licensed custodians. It is clear that most of the difficult regulatory policies have come to stay. We will continue to evaluate the implications of unfolding changes in the industry and other key change drivers on our business, with the objective of developing strategies that would sustain First Pension Custodian as a leading pension custodian in Nigeria.

Gross revenue grew by 22.1% to ₦4.0 billion (Dec 2013: ₦3.3 billion). This was driven by a 19.1% increase in fee income to ₦3.51 billion (Dec 2013: ₦2.84 billion) reflecting 25.5% growth in the assets under custody (pension and non-pension assets) to ₦1.82 trillion (Dec 2013: ₦1.45 trillion). The significant growth was principally due to the additional non-proprietary business gained during the year. In addition, total interest income increased (+52.4%) to ₦506 million driven by growth in the investible funds. Overall, profit before tax closed at ₦2.5 billion representing an increase of 23.9% for ₦2.0 billion in 2013.

West Africa Subsidiaries

The five West African subsidiaries i.e. FBNBank Ghana, FBNBank Gambia, FBNBank Guinea, FBNBank Sierra Leone and ICB Senegal[28] are now being integrated into the FBN Structure to capture the desired value that informed the acquisitions. Notable progress has been made in: integrating the IT platform; name change and rebranding; branch transformation; email messaging; governance and committees; e-channels migration; product paper integration; and, process integration for the subsidiaries. The Bank is currently refining the business profile of those subsidiaries while evaluating options that would allow for the centralisation of certain key functions with a view to improving efficiencies.

Gross earnings grew 428% to ₦5.7 billion (Dec 2013: ₦1.1 billion) driven by growth in interest income (+446.7%) to ₦4.4 billion from ₦802 million, as well as growth of +376.0% in non-interest income at ₦1.3 billion. Profit before tax increased from ₦353 million to ₦1.3 billion, a growth of 262.8%.

Total assets grew by 25.8% to ₦47.4 billion (Dec 2013:₦37.7 billion) with net loans to customers closing at ₦15.6 billion from ₦12.4 billion. Customers' deposits grew by 13.3% to ₦26.1 billion y-o-y. This performance contributed 142.3% y-o-y growth to the shareholder equity at ₦11.7 billion.

[28] To be renamed and rebranded

The **Investment Banking and Asset Management (IBAM) Group** arranges finance, provides advisory services, administers assets, manages funds and invests capital, for both institutional and individual clients. FBN Capital is the arrow-head for this business, with FBN Funds, FBN Trustees, FBN Securities and FBN Capital Asset Management as its subsidiaries.

The operating environment was benign for the first half of the year with fairly stable exchange rates; the last quarter of the year however was characterised by significant macro headwinds; dwindling oil prices, currency devaluation and volatile financial markets. Activity in the equity capital markets was mostly subdued with only a few companies accessing the market for capital either in the form of new issues or rights issues. The NSE All share index was one of the worst performing exchanges in Africa closing with a -16.1% negative return. On the debt capital markets side, primary activity was dominated by FGN bond issuance with only a handful of state, FI and corporate bond issues.

On the debt arranging and advisory side, several industry initiatives such as the on-going sale of NIPP[29] assets, divestment of IOCs assets, mergers and acquisitions in the industrials and financial services industry supported market activity.

Notwithstanding the challenging operating environment, our results demonstrate a continued positive growth trajectory in the investment banking business and a rebound in the asset management business. The trust business continues to generate a steady income stream whilst the markets and alternative investments businesses continue to grow.

IBAM total earnings increased by 8.6% to ₦23.5 billion, (Dec 2013: ₦21.7 billion) while profit before tax increased by 17% to ₦6.2billion (Dec 2013: ₦5.3billion) mainly from investment banking advisory fees earned by FBN Capital.

The **Insurance Business Group** offers insurance brokerage and composite underwriting services to customers; while FBN Insurance Brokers (100% owned subsidiary) provides the brokerage service, the full underwriting business is provided through FBN Insurance Limited (owned by FBNH 65% and Sanlam 35%). Revenue for the Insurance group increased by 78.4.% y-o-y to ₦6.5 billion from ₦3.7 billion, while profit before tax rose to ₦1.6 billion, up 83.2% y-o-y from ₦854.9 million in Dec 2013.

During the year, FBN Insurance acquired the controlling interest of Oasis Insurance Plc. (a General business insurance company) in February and subsequently 100% acquisition in December 2014. The improvement in performance on the insurance business group was driven by the improvements in business volumes from the life business through enhanced market penetration as well as the acquisition of General Insurance Business. This underscores the increased drive to capture more market share while ensuring that good insurance businesses are underwritten in generating sustainable profitability.

Oasis Insurance Plc. contributed 10.8% to the net insurance premium of ₦7.8 billion (Dec 2013: ₦3.6 billion), 11.1% to fee commission of ₦789.7 million (Dec 2013: ₦689.2) and 13.1% to profit before tax of ₦1.6 billion (Dec 2013: ₦734.7 million).

[29] National Integrated Power Projects

Total assets of the business group closed at (+41.1%) ₦18.3 billion (Dec 2013: ₦13.0 billion).

The **Other Financial Services Business Group** includes the Group's non-operating holding company and other non-banking financial services businesses including FBN Microfinance bank, which provides microfinance services to the mass-market segment. In 2014, FBN Holdings completed the acquisition of Kakawa Discount House Limited (Kakawa) which is now a direct subsidiary of FBNH. The acquisition of Kakawa is complementary to the investment banking and asset management business of FBNH as it provides an in-road to securing a merchant banking license given the approval-in-principle granted Kakawa by the CBN.

The complementary nature of Merchant and Commercial banking enhances product bundling, and opportunities for acquiring a greater share of the customer wallet This will expand the universe of products and services offered by the Group, and enable us to not only deepen our reach to existing clients, but reach a new client base. The acquisition also enhances FBN Holdings competitive advantage of scale, and increases market position as a dominant financial services holding company and entrenches industry leadership position in the Corporate and institutional banking segment. It also achieves the objective of increasing the contribution of non-bank subsidiaries which enhances the FBN Holding company structure.

For the three months to December 2014, Kakawa contributed interest income of ₦4.2 billion and a profit before tax of ₦503.7million.If the acquisition had occurred on January 1, 2014, the Group interest income and profit before tax would be higher by ₦8.31billion and ₦1.3billion respectively.

– ENDS –

Conference call

FBN Holdings will host a question and answer teleconference call with analysts and investors on the audited full year ended 31 December 2014 results on, **Monday 13 April 2015 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 1876 (Nigeria)
0800 279 4992 (UK) or **+44 20 3427 1913** (UK/Lagos); **+1 646 254 3360** or **+1 877 280 1254** (US); or **0800 991 539** or **+27 11 019 7076** (South Africa)
And then entering the following confirmation code: **1968371#**

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: **1968371#**

An investor presentation will be available on the FBN Holdings website a few hours before the call on Monday 13 April 2015.

Click here to access the presentation.

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

- Full Year 2014 Results Press Release
- Full Year 2014 financial statements (detailed)

For further information please contact:

Oluyemisi Lanre-Phillips (Head of Investor Relations) +234 1 905 2720
Oluyemisi.lanre-phillips@fbnholdings.com

Tolulope Oluwole +234 1 905 1146
Tolulope.o.oluwole@fbnholdings.com

FBN Holding Company Plc.

STATEMENT OF FINANCIAL POSITION

		GROUP			COMPANY	
	Note	31 December 2014 N 'millions	Restated 31 December 2013 N 'millions	Restated 31 December 2012 N 'millions	31 December 2014 N 'millions	31 December 2013 N 'millions
ASSETS						
Cash and balances with central banks	18	698,104	594,234	300,532	-	-
Loans and advances to banks	20	460,911	430,586	439,853	3,261	1,477
Loans and advances to customers	21	2,178,980	1,769,130	1,541,377	80	72
Financial assets at fair value through profit or loss	22	27,601	10,287	6,112	-	-
Investment securities						
-Available-for-sale investments	23	553,154	529,488	379,675	2,806	2,515
-Held to maturity investments	23	158,485	294,575	338,365	1,466	-
-Loans and receivables		-	-	-	-	7,332
Asset pledged as collateral	24	68,483	53,650	50,109	-	-
Other assets	32	40,692	45,640	45,992	14,361	43,285
Inventory	33	37,805	30,253	21,676	-	-
Investment properties	34	2,826	2,413	4,003	-	-
Investments in associates accounted for using the equity method	28	-	7,029	6,321	1,500	9,281
Investment in subsidiaries	25	-	-	-	260,777	246,777
Property, plant and equipment	29	88,208	81,299	75,407	1,519	1,072
Intangible assets	30	10,094	8,748	3,523	-	-
Deferred tax assets	31	8,992	7,120	8,201	-	-
		4,334,335	3,864,452	3,221,146	285,770	311,811
Asset held for sale	27	8,331	4,549	5,221	2,000	-
Total assets		**4,342,666**	**3,869,001**	**3,226,367**	**287,770**	**311,811**
LIABILITIES						
Deposits from banks	35	171,151	82,032	89,430	-	-
Deposits from customers	36	3,050,853	2,929,081	2,395,148	-	-
Financial liabilities at fair value through profit or loss	22	10,917	1,701	1,796	-	-
Current income tax liability	17	11,829	34,167	23,389	-	-
Other liabilities	39	132,633	149,606	122,202	9,590	3,710
Liability on investment contracts	40	60,617	68,723	54,995	-	-
Liability on insurance contracts	41	8,260	3,651	2,127	-	-
Borrowings	37	369,707	126,302	75,541	-	-
Retirement benefit obligations	38	2,029	1,924	19,380	-	-
Deferred tax liabilities	31	188	37	225	-	-
		3,818,184	3,397,224	2,784,233	9,590	3,710
Liabilities held for sale	27	1,592	-	819	-	-
Total liabilities		**3,819,776**	**3,397,224**	**2,785,052**	**9,590**	**3,710**
EQUITY						
Share capital	42	16,316	16,316	16,316	16,316	16,316
Share premium	43	254,524	254,524	254,524	254,524	254,524
Retained earnings	43	108,637	115,397	76,072	6,968	37,180
Other reserves						
Statutory reserve	43	65,278	52,074	43,347	-	-
Capital reserve	43	1,223	-	-	10	10
SSI Reserve	43	6,076	6,076	6,076	-	-
AFS Fair value reserve	43	12,532	14,969	26,991	362	71
Contingency Reserve	43	217	107	50	-	-
Statutory credit reserve	43	46,673	7,987	16,101	-	-
Treasury shares	43	(18)	(2,280)	(2,378)	-	-
Foreign currency translation reserve	43	7,399	2,102	1,668	-	-
		518,857	467,272	438,767	278,180	308,101
Non-controlling interest		4,033	4,505	2,548	-	-
Total equity		**522,890**	**471,777**	**441,315**	**278,180**	**308,101**
Total equity and liabilities		**4,342,666**	**3,869,001**	**3,226,367**	**287,770**	**311,811**

FBN Holding Company Plc.

INCOME STATEMENT

		GROUP		COMPANY	
	Note	31 December 2014 N 'millions	31 December 2013 N 'millions	31 December 2014 N 'millions	31 December 2013 N 'millions
Continuing operations					
Interest income	7	362,579	323,621	2,886	924
Interest expense	8	(118,725)	(93,506)	-	-
Net interest income		**243,854**	**230,115**	**2,886**	**924**
Impairment charge for credit losses	9	(25,942)	(20,309)	-	-
-					
Net interest income after impairment charge for credit losses		**217,912**	**209,806**	**2,886**	**924**
Insurance premium revenue	10	3,320	2,011	-	-
Insurance premium revenue ceded to reinsurers		(616)	(226)	-	-
Net insurance premium revenue		**2,704**	**1,785**	**-**	**-**
Fee and commission income	11	66,983	59,381	-	-
Fee and commission expense	11b	(6,205)	(5,296)	-	-
Net gains on foreign exchange	12	44,905	6,693	42	-
Net gains/(losses) on investment securities	13	(230)	2,899	-	-
Net losses from financial instruments at fair value through profit or loss	14	(1,262)	(1,504)	-	-
Gain from disposal of subsidiary		-	-	-	-
Dividend income		1,469	1,227	13,747	74,057
Other operating income	15	2,854	1,127	294	7
Insurance claims		(1,043)	(488)	-	-
Personnel expenses	16a	(79,843)	(65,820)	(1,159)	(58)
Depreciation of Property, plant and equipment	29	(11,375)	(10,284)	(229)	(47)
Amortisation of intangible assets	30	(1,384)	(912)	-	-
Impairment loss on investment	28	-	-	(7,781)	(2,594)
Operating expenses	16	(143,200)	(108,283)	(2,117)	(1,658)
Operating profit		92,285	90,331	5,683	70,631
Share of profit of associates	28	599	1,006	-	-
Profit before tax		**92,884**	**91,337**	**5,683**	**70,631**
Income tax expense	17	(10,045)	(20,706)	-	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**82,839**	**70,631**	**5,683**	**70,631**
Discontinued operations					Notes to
Profit for the year from discontinued operations	27	-	-	-	-
PROFIT FOR THE YEAR		**82,839**	**70,631**	**5,683**	**70,631**
Profit/(loss) attributable to:					
Owners of the parent		83,059	70,135	5,683	70,631
Non-controlling interests		(220)	496	-	-
Editors -		**82,839**	**70,631**	**5,683**	**70,631**
Earnings per share for profit attributable to owners of the parent					
Basic/diluted earnings/ loss per share:	53				
From continuing operations		2.55	2.16	0.17	2.16
From discontinued operations		-	-	-	-
From profit for the year		2.55	2.16	0.17	2.16

FBN Holdings Plc. (ISIN: NGFBNH000009) is the most diversified financial services group in Nigeria. The subsidiaries of FBN Holdings offer a broad range of products and services across commercial banking, investment banking and asset management, insurance and microfinance business 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). The Group, employing over 10,000 staff, has about 9.7 million active customers, through more than 850 business locations and about 2,500 ATMs. The group boasts an excellent corporate governance structure underpinned by strong institutional processes, systems and controls. FBN Holdings Plc. is structured under four business groups, namely: Commercial Banking, Investment Banking and Asset Management, Insurance, and Other Financial Services.

FBN Holdings' principal subsidiary is First Bank of Nigeria Limited (FirstBank), a commercial bank with operations in 12 countries. Other subsidiaries are FBN Capital, a leading investment banking and asset management company; FBN Insurance Limited, a risk underwriter, FBN Microfinance Bank, which offers microfinance services and Kakawa Discount House Limited. FBN Holdings Plc. was incorporated in Nigeria on 14 October 2010, following the business reorganisation of the First Bank 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 has issued and fully paid-up share capital as 32,632,084,356 ordinary shares of 50 kobo each (₦16,316,042,178). FBN Holdings is owned by about 1.3 million shareholders across the globe and has an unlisted Global Depositary Receipt (GDR) programme. More information can be found on our website www.fbnholdings.com

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.

FBN Holdings 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 of these 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.