FBNHoldings

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FBN HOLDINGS PLC. REPORTS GROSS EARNINGS OF ₦627.0 BILLION FOR THE FULL YEAR ENDED 31 DECEMBER 2019

FBN Holdings Plc. ("FBNH" or "FBNHoldings" or the "Group") today announces its audited results for the financial year ended 31 December 2019.

Income Statement

- Gross earnings of ₦627.0 billion, up 6.7% year-on-year (y-o-y) (Dec 2018: ₦587.4 billion[1])
- Net-interest income of ₦290.2 billion, up 1.7% y-o-y (Dec 2018: ₦285.3 billion[1])
- Non-interest income of ₦159.2 billion, up 20.6% y-o-y (Dec 2018: ₦132.0 billion[1])
- Operating income of ₦449.3 billion, up 7.7% y-o-y (Dec 2018: ₦417.3 billion[1])
- Impairment charges of ₦51.1 billion, down by 41.5% y-o-y (Dec 2018: ₦87.5 billion[1])
- Operating expenses of ₦314.7 billion, up 18.3% y-o-y (Dec 2018: ₦266.0 billion[1])
- Profit before tax of ₦83.6 billion, up 30.9% y-o-y (Dec 2018: ₦63.9 billion[1])
- Profit after tax ₦73.7 billion, up 26.5% y-o-y (Dec 2018: ₦58.2 billion[1])
- Proposed dividend per share of ₦0.38

Statement of Financial Position

- Total assets of ₦6.2 trillion, up 11.4% y-o-y (Dec 2018: ₦5.6 trillion[1])
- Customer deposits of ₦4.0 trillion, up 15.3% y-o-y (Dec 2018: ₦3.5 trillion)
- Customer loans and advances (net) of ₦1.85 trillion, up 10.9% y-o-y (Dec 2018: ₦1.67 trillion[1])

Key Ratios

- Post-tax Return on average equity of 12.4% (Dec 2018: 9.7%[1])
- Post-tax Return on average assets of 1.3% (Dec 2018: 1.1%[1])
- Net-interest margin of 7.7% (Dec 2018: 7.8%[1])
- Cost to income ratio of 70.0% (Dec 2018: 63.7%[1])
- NPL ratio of 9.9% (Dec 2018: 24.7%[1])
- 38.2% liquidity ratio (FirstBank (Nigeria) (Dec 2018: 45.2%)
- 15.5% Basel 2 CAR[2] (FirstBank (Nigeria) (Dec 2018: 17.3%)
- 17.1% Basel 2 CAR (FBNQuest Merchant Bank) (Dec 2018: 12.2%)

[1] Restated: Please see Note 53 of the financial statements.
[2] CAR – Capital Adequacy Ratio.

Notable Developments

- 2017 – 2019 Strategic Planning Program completed; key achievement was the complete overhaul of our risk management architecture and strengthening of our businesses for sustainable growth in the current planning cycle 2020-2022
- Firstmonie Agent banking network grown to over 53,000, reaffirming FirstBank's strong retail franchise and wide coverage
- FirstBank was awarded[3] the Fastest Growing Retail Bank and the Best Mobile App in recognition of the leading role in financial inclusion and its robust offerings and technology capabilities
- Atlantic Energy fully written off, creating significant headroom for increased business opportunities and enhanced earnings
- FirstBank exercised its option to call the US$450 million 8.0% Subordinated notes due in 2021, bringing total prepayments to US$750 million within 12 months
- Upgraded FirstBank's core banking application to a more robust and secure platform
- First Bank of Nigeria Limited appointed Alhaji Ado Yakubu Wanka as a Non-Executive Director

Selected Financial Summary

Income statement

(₦ billion)	FY 2019	FY 2018[1]	Δ%
Gross earnings	627.0	587.4	6.7%
Interest income	442.6	435.6	1.6%
Net-interest income	290.2	285.3	1.7%
Non-interest income[8]	159.2	132.0	20.6%
Operating Income[10]	449.3	417.3	7.7%
Impairment charges for losses	51.1	87.5	41.5%
Operating expenses	314.7	266.0	18.3%
Profit before tax	83.6	63.9	30.9%
Profit after tax	73.7	58.2	26.5%
Basic EPS (kobo)[13]	1.95	1.61	21.2%

Statement of Financial Position

(₦ billion)	FY 2019	FY 2018	Δ%
Total assets	6,203.5	5,568.9	11.4%
Customer loans & advances (Net)	1,852.4	1,670.5	10.9%
Customer deposits	4,019.8	3,486.7	15.3%

Key Ratios %	FY 2019	FY 2018[1, 4]
Post-tax return on average equity[5]	12.4	9.7
Post-tax return on average assets[6]	1.3	1.1
Earnings yield[7]	11.8	11.9
Net-interest margin[9]	7.7	7.8
Cost of funds[11]	3.1	3.4
Cost to income[12]	70.0	63.7
Gross loans to deposits	48.0	59.0
Liquidity (FirstBank (Nigeria)	38.2	45.2
Capital adequacy (FirstBank (Nigeria))	15.5	17.3
Capital adequacy (FBNQuest Merchant Bank)	17.1	12.2
NPL/Gross Loans	9.9	24.7
NPL coverage[14]	47.5	80.3
PPOP[15]/impairment charge (times)	2.7	1.8
Cost of risk[16]	2.5	3.8
Leverage (times)[17]	9.4	10.5

[3] Awarded by the Global Business Outlook.
[4] Cost of funds, liquidity and capital adequacy ratios were not restated
[5] 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.
[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] Earnings yield computed as Interest income divided by the average opening and closing balances of interest earning assets (Less financial assets at fair value through profit and loss plus unlisted debts).
[8] Non-interest income is net of fee and commission expenses.
[9] Net-interest margin computed as net interest income divided by the average opening and closing balances of interest earning assets (Less financial assets at fair value through profit and loss plus unlisted debts).
[10] Operating income defined as Net interest income plus non-interest income, excluding share of profit of associate.
[11] Cost of funds computed as interest expense divided by average interest-bearing liabilities.
[12] Cost to income ratio computed as operating expenses divided by operating income.
[13] Basic EPS computed as profit after tax divided by weighted average number of shares in issue.
[14] Expected credit loss (ECL) coverage computed as total allowance for impairment plus statutory credit reserve divided by total stage 3 loans.
[15] PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge.
[16] Cost of risk computed as credit impairment charges divided by the average opening and closing gross loans balances. Only credit related losses are considered.
[17] Total assets divided by shareholders' equity.

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

"We are happy to close the 2019 financial year on positive notes across a number of key metrics giving the Group a clean-slate to accelerate its growth plan as we conclude the 3-year Strategic Planning Cycle which ran from 2017-2019 and commence a new cycle which coincide with the start of a new decade. In line with our promise to the market, FBNHoldings closed the year with a 30.9% y-o-y increase in profit before tax and delivered its target of a single digit NPL which closed at less than 10%.

Similarly, we successfully overhauled our risk management architecture, strengthened our processes by leveraging technology and institutionalising a strong credit culture across the lending entities. These deliberate steps have seen the NPL ratio of our vintage book remained below 1%. In the same vein, we have made significant improvement in our revenue generation capacity with non-interest income benefiting from our market leadership in electronic banking channels. It is also noteworthy to highlight that our investments aimed at improving operational efficiencies and enhancing revenue accretion have resulted in higher cost-to-income ratio. The benefits of these investments will be realised in subsequent periods.

The new SPP cycle is focused on strengthening and positioning the various businesses across the Group for sustainable growth over the long-term. As a Group, we are committed to transforming our financial performance to tangible results for the benefit of all stakeholders especially our shareholders through enhanced returns and dividend payment. As a testament of the resolution of the legacy issues and an indication of the future, FirstBank re-commenced dividend upstream to the holding company.

In conclusion, I would like to emphasise that 2020 promises to be a challenging year. In addition to the growing list of economic challenges both at the global level and locally, the world woke-up to the outbreak of the deadly COVID-19 pandemic which has threatened to bring the global economy to a complete halt. Whilst these are early days in the assessment of the likely economic devastation as a result of this virus, there is a sense of unanimity that this event will result in an unprecedented ruin both in terms of global economic growth and disruption to the global supply chain. As an institution, we are working hard to minimise its impact on our businesses by activating our business continuity plans thereby preserving the well-being of our employees and other stakeholders."

Group Financial Review

Income Statement

Gross earnings were up 6.7% y-o-y to ₦627.0 billion (Dec 2018: ₦587.4 billion), driven by a 1.6% y-o-y increase in interest income, despite declining yield environment, and further supported by a 20.6% y-o-y growth in non-interest income. Interest income and non-interest income contributed 70.6% and 25.4% (Dec 2018: 74.2% and 22.5%) respectively to gross earnings.

Net interest income increased by 1.7% y-o-y to ₦290.2 billion (Dec 2018: ₦285.3 billion) owing to the 1.6% increase in interest income which was partially offset by a 1.4% growth in interest expenses. Interest income grew largely on account of the 15.2% increase in interest earned from investment securities due to an increase in average volume of investment securities. However, income from customer loans declined by 6.8% y-o-y to ₦245.7 billion (Dec 2018: ₦263.6 billion) due to compressed margin arising from low interest rate environment during the financial year. Income from customer loans and income from investment securities accounted for 55.5% and 39.3% of total interest income in 2019, compared to 60.5% and 34.6% in 2018. Interest expense however, increased by 1.4% y-o-y to ₦152.3 billion (Dec 2018: ₦150.2 billion) largely driven by a 15.3% y-o-y increase in deposit from customers (mainly current and saving accounts), and a 14.8% y-o-y increase in deposit from banks.

Cost of funds declined to 3.1% (Dec 2018: 3.4%), primarily on the back of efforts to maintain a cheaper funding mix as well as following the redemption of the $450 million FBN Eurobond in July 2019. Similarly, the Group maintained a decent mix of low-cost deposits highlighting the strength of the brand. Ability to mobilise low-cost deposits is consistent with our strategic focus and we will continue to keep cost of funds low in the face of tight liquidity and stiff competition.

Yields on earning assets improved during the year as we continue to focus on balance sheet optimisation to enhance and accrete competitive margins. Accordingly, average yields on customer loans closed at 13.8% (Dec 2018: 14.1%), while yields on investment securities remained essentially flat at 9.7% (Dec 2018: 9.4%). Overall, the blended yield on interest earning assets was relatively flat at 11.8% (Dec 2018: 11.9%) with net interest margin closing at 7.7% (Dec 2018: 7.8%).

Non-interest income (NII) increased by 20.6% y-o-y to ₦159.2 billion from ₦132.0 billion in the prior year. This was largely driven by ₦10.5 billion and ₦10.8bn fair value gains recorded on derivatives and debt securities instruments respectively compared to losses of ₦6.5 billion and ₦1.5 billion recorded in prior year respectively. Similarly, fees and commission income grew 12.5% y-o-y to ₦104.3 billion (Dec 2018: ₦92.7 billion) on the back of growing volumes from electronic banking and alternative digital channels.

The fees and commission (F&C) income continues to lead the non-interest income revenue stream contributing a total of 65.5% and 70.2% in 2019 and 2018 respectively. The key drivers of F&C remained electronic banking fees and account maintenance fees which grew by 41.2% y-o-y and 7.6% y-o-y to ₦48.0 billion (Dec 2018: ₦34.0 billion) and ₦13.3 billion (Dec 2018: ₦12.3 billion) respectively. Electronic banking fees now contribute 46.0% to F&C income from 36.7% in the prior year, as account maintenance fees remain flat at about 13%. Other drivers include: 104.7% y-o-y growth in credit related fees to ₦4.9 billion (Dec 2018: ₦2.4 billion); 49.0% y-o-y growth in letters of credit commission to ₦6.4 billion (Dec 2018: ₦4.3 billion); 15.9% y-o-y increase in fund management fees to ₦3.4 billion (Dec 2018: ₦3.0 billion); as well as 30.1% y-o-y growth in other fees and commissions income to ₦5.0 billion (Dec 2018: ₦3.9 billion). The improvement in F&C was partially offset by the combined impact of a 52.5% y-o-y decline in brokerage and intermediation fee to ₦5.7 billion (Dec 2018: ₦11.9 billion) as well as 96.7% decline in financial advisory fees to ₦104 million (Dec 2018: ₦3.2 billion) due to the slow pace of growth in both debt and equity capital markets.

The Group remains focused on enhancing its non-interest revenue from further growth in transaction volumes on digital channels and optimization of the robust technology platforms to better serve its customers.

Operating expenses increased by 18.3% y-o-y to ₦314.7 billion (Dec 2018: ₦266.0 billion) on the back of one-off strategic expenses and projects aimed at improving operational efficiencies and enhancing revenue accretive capabilities. Staff related costs (31.6%), regulatory cost (12.3%) and maintenance cost (9.0%) jointly account for about half of operating expenses.

6.4% y-o-y increase in staff cost is largely due to an employee reward scheme towards driving a renewed workforce (EVES)[18]. Regulatory cost grew by 9.8% y-o-y primarily due to the 6.3% y-o-y increase in total asset as well as deposit growth. Operating expenses also increased as a result of one-time operational losses in respect of settlements to AMCON for assets sold about a decade ago. The increase in operating expenses was partly offset by 10.2% y-o-y decline in communication, light and power to ₦6.8 billion (Dec 2018: ₦7.6 billion) and other operating expenses (-1.9% y-o-y) to ₦12.4 billion (Dec 2018: ₦12.6 billion).

Cost-to-income ratio closed at 70.0% (Dec 2018: 63.7%) in 2019. We are confident that our focus on optimising operational efficiency to reduce overall cost to serve, improve employee productivity, enhance customer experience and grow revenue will result in strong benefits in subsequent periods.

Impairment charge for losses declined by 41.5% y-o-y to ₦51.1 billion (Dec 2018: ₦87.5 billion) as we worked on cleaning and strengthening our balance sheet. Accordingly, cost of risk decreased to 2.5% (Dec 2018: 3.8%). Furthermore, and in line with our strategic intent, the Group achieved a single digit NPL ratio of 9.9%. Our focus for 2020 is to further drive down the NPLs below current levels and maintain the vintage NPL at the current level of less than 1%.

Profit before tax increased by 30.9% y-o-y to ₦83.6 billion (Dec 2018: ₦63.9 billion). Income tax expense for the year was ₦9.8 billion, 76.5% increase over December 2018 of ₦5.5 billion, on the of account additional deferred taxation arising in current year. Earnings per share increased by 21.2% y-o-y to ₦1.95 (Dec 2018: ₦1.61) in line with our commitment to enhancing shareholders value.

Statement of Financial Position

Total assets increased by 11.4% y-o-y to ₦6.2 trillion (Dec 2018: ₦5.6 trillion) driven by 56.9% y-o-y increase in cash and balances with Central Banks as well as 10.9% y-o-y increase in customer loans. Cash and balances with Central Banks, loans to banks & customers and investment securities constitute 81.4% of total assets (Dec 2018: 87.1%).

Total customer deposits grew by 15.3% y-o-y to ₦4.0 trillion (Dec 2018: ₦3.5 trillion). The growth in deposits was driven by a 14.4% y-o-y and 12.0% y-o-y increase in current and savings accounts to ₦1.0 trillion (Dec 2018: ₦915.3 billion) and ₦1.3 trillion (Dec 2018: ₦1.2 trillion) respectively. In addition, domiciliary deposits grew by 28.3% y-o-y to ₦748.8 billion (Dec 2018: ₦583.5 billion). The healthy growth in the face of heightened competition underscores the confidence reposed in the Group by the public and the strength of our franchise. We will continue leveraging winning strategies and new technologies to differentiate ourselves from our competition and enhance our deposit mix to optimise our cost of funds. As a result, the ratio of the low-cost deposit to total deposits remained strong at 77.7% (Dec 2018: 77.0%) and 85.8% (Dec 2018: 85.0%) at the Group and FirstBank Nigeria respectively.

In line with our strategic focus, we are increasing the number of customers across our businesses and our strong franchise continues to provide the platform for a diversified and stable funding. In addition, we

[18] Employee Voluntary Exit Scheme

expect increased customer acquisition by leveraging on our leading agency banking network of over 53,000[19] (Dec 2019: 44,024, Dec 2018: 14,791) across the country.

Total loans & advances to customers (net) increased by 10.9% y-o-y to ₦1.9 trillion (Dec 2018: ₦1.7 trillion) as the Group continues to create healthy risk asset portfolio towards a stronger balance sheet. Loan growth was driven largely by growth in General commerce, Communication, Manufacturing, Retail and Agriculture. In line with our commitment, we successfully overhauled our risk management architecture, strengthened our processes and institutionalised a strong credit culture across the group. The changes made have ensured accountability across the risk management chain and positioned the group to efficiently expand the loan book in a manner that drives revenue growth without heightened asset quality challenges. On the back of this, asset quality metrics have improved over the last three years owing to loan growth, restructuring, recoveries and write-offs. Consequently, NPL on our vintage loan book has remained below 1% and the overall **NPL ratio** of the Group has trended from a high of 24.7% to 9.9%. We are further improving current asset quality metrics in line with leading comparators in the industry over the next strategic cycle.

Shareholders' funds (SHF) closed at ₦661.1 billion, 25.0% y-o-y increase over ₦528.9 billion in 2018. The growth in SHF was largely on the account of value accretion in AFS fair value reserve and retained earnings which increased by 90.3% y-o-y to ₦147.1 billion (Dec 2018: ₦77.3 billion) and over 100% y-o-y to ₦73.2 billion (Dec 2018: ₦3.1billion) respectively.

Capital adequacy ratio for FirstBank (Nigeria) remains above regulatory minimum of 15% at 15.5% (Dec 2018: 17.3%), while the capital adequacy ratio for FBNQuest Merchant Bank closed at 17.1% (Dec 2018: 12.2%), above the 10% required by regulation for Merchant Banks.

Liquidity ratio for FirstBank (Nigeria) remains healthy at 38.2% (Dec 2018: 45.2%) above the 30% regulatory mark.

[19] As at March 31, 2020

Business Groups[20] [21] [22]:

Commercial Banking

- Gross earnings of ₦553.6 billion, up 7.2% y-o-y (Dec 2018: ₦516.2 billion)
- Net interest income of ₦271.6 billion, flat at 0.9% y-o-y (Dec 2018: ₦269.1 billion)
- Non-interest income of ₦124.3 billion, up 29.5% y-o-y (Dec 2018: ₦96.0 billion)
- Operating expenses of ₦274.4 billion, up 17.2% y-o-y (Dec 2018: ₦234.1 billion)
- Profit before tax of ₦70.8 billion, up 83.1% y-o-y (Dec 2018: ₦38.6 billion)
- Profit after tax of ₦62.7 billion, up 61.3% y-o-y (Dec 2018: ₦38.8 billion)
- Total assets of ₦5.9 trillion, up 10.7% y-o-y (Dec 2018: ₦5.3 trillion)
- Customers' loans and advances (net) of ₦1.9 trillion, up 10.1% y-o-y (Dec 2018: ₦1.7 trillion)
- Customers' deposits of ₦3.9 trillion, up 15.3% y-o-y (Dec 2018: ₦3.4 trillion)

The Commercial Banking business contributed 88.2% (Dec 2018: 87.8%) to gross earnings of the Group and 85.2% (Dec 2018: 67.4%) to its profit before tax.

Commenting on the results Dr. Adesola Adeduntan, Chief Executive Officer of FirstBank said:

The Commercial Banking group delivered a solid performance in 2019 with profit before tax increasing by 83.1% y-o-y despite varying degrees of challenges and volatility in the operating environment. As a Bank, 2019 marked the effective completion of the 2017 – 2019 strategic cycle and a key accomplishment during the cycle is the substantial resolution of our non-performing loan portfolio (NPL ratio dropped to 9.7% from 24.3% as of 31 December 2018), thereby positioning the group for accelerated growth in profitability. We recorded significant growth in our Agent banking network with double digit growths in volume and value of transactions processed which further enhanced our leadership position in financial inclusion. Overall, we are pleased with the progress that has been made in our digital journey as over 85% of our customers originated transactions are now processed on digital channels; we will continue to leverage technology to offer superior customer and enhance operational efficiency.

As we commence the execution of a new 2020 – 2022 strategic plan and in line with the realities of providing innovative customer service excellence and generating expected shareholder returns, we reviewed our vision to be Africa's bank of First Choice to align with our ambition to optimise returns through customer led innovation and discipline execution. Within this context, aggressive customer acquisition and excellence across products/channels/geographies is a priority to enhance revenue streams while we accelerate the drive to reduce overall cost to serve, improve employee productivity, enhance customer experience and maximise operational efficiency.

Finally, we reiterate our focus on innovation, leveraging digital and emerging technologies to satisfy our customers, differentiate us from competition, drive revenue growth and optimise our business. As we progress with this new cycle, I am highly optimistic that 2020 and beyond will be more rewarding."

[20] Please refer to the 'Notes to Editors' section on page 13 for the companies in each business group.
[21] The pre-consolidation numbers of each of the business groups have been considered in discussing their performance.
[22] Post consolidation, the Commercial Banking, Merchant Bank & Asset Management, Insurance and Other services contributed 88.9%, 5.7%, 5.2% and 0.2% (Dec 2018: 88.2%, 7.7%, 3.8% and 0.3%) respectively to the Group's gross earnings and 85.2%, 8.9%, 9.8% and -3.9% (Dec 2018: 68.1%, 26.3%, 9.4% and -3.9% to the Group's profit before tax.

Merchant Banking & Asset Management (MBAM) / FBNQuest

The Merchant Banking and Asset Management business maintained a positive performance during the year amidst macro-economic headwinds. This performance was driven majorly by the Fixed Income Trading, Asset Management, Trustees and Structured Products businesses.

We continue to focus on enhancing the quality of and diversifying our earnings by growing our investment management businesses, with Assets under management (AUM) increasing by 22% to close at ₦319 billion (Dec 2018: ₦261 billion), thereby contributing positively to annuity fee income.

The Corporate and Investment Banking ("CIB") businesses have also contributed, with the successful repositioning of the Corporate Banking business beginning to bear fruit. In addition, although the Investment Banking business saw limited growth due to the weak macroeconomic conditions, FBNQuest participated in a number of landmark deals that received awards including EMEA Best African Sukuk for the FGN ₦100 billion 7-year Inaugural Sovereign Sukuk and FMDQ Gold Award for Most Innovative Registration Member.

Overall, earnings are above the prior year mainly because of the growth in non-interest income and the implementation of targeted cost minimisation initiatives. Quest Group Gross Earnings and profit before tax closed at ₦35.9 billion and ₦7.2 billion respectively, while total assets grew by 13.7% to close at ₦248.6 billion. The businesses in the group remain well capitalised with total group equity of ₦48.0 billion, while the capital adequacy of the merchant bank stands at 17.1%, well above the regulatory requirement of 10%.

In 2020 and beyond, we will be focused on accelerating growth through efficient execution and actively building business partnerships towards enhancing financial performance, improving brand appeal and growing market share, alongside nurturing our human capital and leveraging digital technology to better serve our customers.

The Merchant Banking and Asset Management business contributed 5.7% (Dec 2018: 7.7%) to gross earnings of the Group and 9.0% (Dec 2018: 26.9%) to profit before tax.

Insurance

The Insurance business group continues to grow its market share and further improve profitability. Underpinning this growth are efforts to deepen market penetration through the sale of our risk and investment products. Specifically, the business recorded impressive y-o-y growths in Gross premium written (GPW) in retail life (+52.4%), group life (+132.0%), annuity (+8.7%) and other general insurance business (+57.8%). In addition, the insurance brokerage business contributed strongly to earnings following remarkable growth (+19.7% y-o-y) in brokerage fees. These improvements were made possible by the use of technology which allowed for increase in the number of alternative channels and led to an increased revenue, especially in the retail business.

Consequently, Gross Premium Written (GPW) increased by 46.8% y-o-y to close at ₦44.9 billion (Dec 2018: ₦30.6 billion). On the back of this, the Insurance business further reinforced its leadership with a compounded annual growth rate (CAGR) of 38.8% in GPW over the last four years and ranking at the top of the insurance league. Total revenue of the Insurance business group increased by 50.2% y-o-y to ₦37.8 billion (Dec 2018:

₦25.2 billion) while profit before tax rose by 29.1% y-o-y to ₦8.8 billion (Dec 2018: ₦6.8 billion). The business group's total assets increased by 52.8% y-o-y to ₦117.0 billion (Dec 2018: ₦76.6 billion).

The Insurance business contributed 5.9% (Dec 2018: 4.2%) to the Group's gross earnings and 9.8% (Dec 2018: 9.6%) to its profit before tax.

– ENDS –

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the audited results for the full year 31 December 2019 on **Wednesday 08 April 2020 at 12:00pm UK / 12:00pm Lagos / 07:00am New York / 1:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialling:

+234 1 277 6330 (Nigeria); **0800 279 7204** or **+44 330 336 9411** (United Kingdom); **888 254 3590** or **+1 323 994 2093** (United States); and **0800 980 520** or **+27 11 844 6118** (South Africa).

and then entering the following confirmation code: **8572467#**

Participants are advised to register for the call at least five minutes before the start of the call. For those who are unable to listen to the live call, a recording will be posted on the Company's website. Replay facilities are also available for a week after the call by dialling:

0808 101 1153 or **+44 20 7660 0134** (United Kingdom); **+1 719 457 0820** or **888 203 1112** (United States); **0800 980 995** or **+27 11 062 3065** (South Africa)

and then entering the following code: **8572467#**

An investor presentation will be available ahead of the call on the FBNHoldings website.

Click here to access the presentation.

The following related documents are also available on our website https://www.fbnholdings.com/investor-relations/

- FY 2019 financial statements (audited) Click here

For further information please contact:

Tolulope Oluwole (Head, Investor Relations)

+234 1 905 2720

Tolulope.o.oluwole@fbnholdings.com

FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
		Restated		
	31 December 2019 N 'million	31 December 2018 N 'million	31 December 2019 N 'million	31 December 2018 N 'million
ASSETS			`	
Cash and balances with central banks	1,025,325	653,335	-	-
Loans and advances to banks	754,910	863,435	5,706	16,639
Loans and advances to customers	1,852,411	1,670,476	94	110
Financial assets at fair value through profit or loss	282,660	109,162	3,057	3,427
Investment securities	1,414,530	1,663,821	11,393	7,079
Asset pledged as collateral	464,922	309,051	-	-
Other assets	212,092	126,292	15,922	292
Investment properties	100	515	-	-
Investments in associates accounted for using the equity method	711	625	-	-
Investment in subsidiaries	-	-	239,514	242,395
Property and equipment	112,939	91,515	490	382
Intangible assets	18,961	16,134	-	-
Deferred tax assets	25,009	25,558	-	-
	6,164,570	5,529,919	276,176	270,324
Assets held for sale	38,956	38,990	-	-
Total assets	**6,203,526**	**5,568,909**	**276,176**	**270,324**
LIABILITIES				
Deposits from banks	860,486	749,315	-	-
Deposits from customers	4,019,836	3,486,691	-	-
Derivative liabilities	6,046	15,791	-	-
Current income tax liability	13,778	15,656	12	102
Other liabilities	297,140	375,642	9,320	8,034
Liability on investment contracts	24,676	19,766	-	-
Liability on insurance contracts	63,748	34,192	-	-
Borrowings	250,596	338,214	-	-
Retirement benefit obligations	3,352	1,940	-	-
Deferred tax liabilities	250	266	-	-
	5,539,908	5,037,473	9,332	8,136
Liabilities held for sale	2,493	2,493	-	-
Total liabilities	**5,542,401**	**5,039,966**	**9,332**	**8,136**
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392
Retained earnings	73,197	3,066	15,379	10,850
Statutory reserve	101,378	93,325	-	-
Capital reserve	1,223	1,223	10	10
Small scale investment reserve	6,076	6,076	-	-
Fair value reserve	147,070	77,276	114	(12)
Contingency reserve	3,013	2,022	-	-
Statutory credit reserve	14,576	33,599	-	-
Foreign currency translation reserve	47,736	48,727	-	-
	645,609	516,654	266,843	262,188
Non-controlling interests	15,516	12,289	-	-
Total equity	**661,125**	**528,943**	**266,843**	**262,188**
Total equity and liabilities	**6,203,526**	**5,568,909**	**276,175**	**270,324**

FBN Holdings Plc.

INCOME STATEMENT	GROUP		COMPANY	
	31 December 2019 N 'million	Restated 31 December 2018 N 'million	31 December 2019 N 'million	31 December 2018 N 'million
Continuing operations				
Interest income	442,556	435,563	2,173	2,163
Interest expense	(152,342)	(150,242)	(14)	-
Net interest income	**290,214**	**285,321**	**2,159**	**2,163**
Impairment charge for losses	(51,133)	(87,465)	-	-
Net interest income after impairment charge for losses	**239,081**	**197,856**	**2,159**	**2,163**
Insurance premium revenue	17,100	18,035	-	-
Insurance premium revenue ceded to reinsurers	(4,793)	(2,494)	-	-
Net insurance premium revenue	**12,307**	**15,541**	**-**	**-**
Fee and commission income	104,330	92,724	-	-
Fee and commission expense	(20,483)	(17,330)	-	-
Foreign exchange income	9,540	32,918	6	52
Net gains/(losses) on sale of investment securities	17,167	5,733	8	(21)
Net gains/(losses) from financial instruments at fair value through profit or los	28,937	(3,135)	(371)	575
Dividend income	4,370	2,312	16,580	10,840
Other operating income	2,921	3,233	-	40
Insurance claims	(10,106)	(4,717)	-	-
Personnel expenses	(99,380)	(93,395)	(1,201)	(904)
Depreciation of property and equipment	(16,828)	(12,282)	(319)	(397)
Amortisation of intangible assets	(6,197)	(5,336)	-	-
Other operating expenses	(182,151)	(150,292)	(2,988)	(2,908)
Operating profit	**83,508**	**63,830**	**13,874**	**9,440**
Share of profit of associates	87	23	-	-
Profit before tax	**83,595**	**63,853**	**13,874**	**9,440**
Income tax expense	(9,783)	(5,544)	(12)	(98)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**73,812**	**58,309**	**13,862**	**9,342**
Discontinued operations				
Loss for the year from discontinued operations	(147)	(77)	-	-
PROFIT FOR THE YEAR	**73,665**	**58,232**	**13,862**	**9,342**
Profit attributable to:				
Owners of the parent	69,918	57,692	13,862	9,342
Non-controlling interests	3,747	540	-	-
	73,665	**58,232**	**13,862**	**9,342**
Earnings per share for profit attributable to owners of the parent				
Basic/diluted earnings/ loss per share (in Naira):				
From continuing operations	1.95	1.61	0.39	0.26
From discontinued operations	(0.00)	(0.00)	-	-
From profit for the year	1.95	1.61	0.39	0.26

- 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 in issue and fully paid-up share capital of 35,895,292,792 ordinary shares of 50 kobo each (₦17,947,646,396). 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 10 countries (Lagos, Nigeria; London, United Kingdom; Paris, France; Beijing, China; 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, with about 9,014 staff has 892 business locations (615 local branches, 144 QSPs and agencies for FirstBank (Nigeria) and 133, (local and international) subsidiary locations). 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 DRC[23], bank subsidiaries in West Africa[24], a representative office in Beijing, a branch office in Paris as well as First Pension Fund Custodian. This group provides both individual and corporate clients/ customers with financial intermediation services. This business segment includes the group's local, international and representative offices with operations in 10 countries offering commercial banking services.

Merchant Banking & Asset Management comprises FBNQuest Merchant Bank group, FBNQuest Capital group and FBNQuest Trustees Limited. These are wholly owned by the holding company. The FBNQuest Merchant Bank group comprises FBNQuest Merchant Bank and its subsidiaries, FBNQuest Securities Limited and FBNQuest Asset Management Limited. The FBNQuest Capital group comprises FBNQuest Capital Limited and its subsidiaries FBN Funds Limited and FBN Capital Partners Limited. The group creates value by providing advice, finance, trading, investing and securing services to large institutions (corporations and government agencies) and individuals.

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

[23] Previously, Banque Internationale de Credit (BIC)
[24] 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 Stock Exchange. 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.