

PRESS RELEASE

Lagos, Nigeria – 26 July 2016

FBN HOLDINGS PLC. REPORTS PROFIT BEFORE TAX OF ₦45.9 BILLION FOR THE SIX MONTHS ENDED 30 JUNE 2016

FBN Holdings Plc. (“FBNH” or “FBN Holdings” or the “Group”) today announces its unaudited results for the six months ended 30 June 2016.

Income statement

- Gross earnings of ₦267.9 billion, marginally lower by 1.2% year-on-year (Jun 2015: ₦271.3 billion)
- Net-interest income of ₦126.1 billion, down 5.0% year-on-year (Jun 2015: ₦132.7 billion)
- Non-interest income of ₦94.1 billion, up 52.0% year-on-year (Jun 2015: ₦61.9¹ billion)
- Operating income of ₦220.1 billion, up 13.1% year-on-year (Jun 2015: ₦194.6¹ billion)
- Impairment charge for credit losses of ₦69.9 billion (Jun 2015: ₦22.6 billion)
- Operating expenses of ₦104.3 billion, down 13.0% year-on-year (Jun 2015: ₦119.9¹ billion)
- Profit before tax of ₦45.9 billion, down 11.9% year-on-year (Jun 2015: ₦52.1 billion)
- Profit after tax ₦35.9 billion, down 10.5% year-on-year (Jun 2015: ₦40.1 billion)

Statement of financial position

- Total assets of ₦4.8 trillion, up 15.3% year-to-date (Dec 2015: ₦4.2 trillion)
- Customer deposits of ₦3.1 trillion, up 4.2% year-to-date (Dec 2015: ₦2.97 trillion)
- Customer loans and advances (net) of ₦2.1 trillion, up 16.2% year-to-date (Dec 2015: ₦1.8 trillion)

Key Ratio

- Post-tax return on average equity of 12.0% (Jun 2015: 14.8%)²
- Post-tax return on average assets of 1.6% (Jun 2015: 1.8%)²
- Net-interest margin of 7.2% (Jun 2015: 7.8%)²
- Cost to income ratio of 47.4% (Jun 2015: 61.6%)
- NPL ratio of 22.8% (Jun 2015: 4.1%)
- 55.9% liquidity ratio (FirstBank (Nigeria)) (Jun 2015: 34.7%, Dec 2015: 58.6%)
- 15.4% Basel 2 CAR (Including H1 2016 profit: 16.7%) (FirstBank (Nigeria)) (Jun 2015: 15.8%, Dec 2015: 17.1%)
- 27.9% Basel 2 CAR (FBN Merchant Bank) (Jun 2015: 17.2%, Dec 2015: 23.0%)

Notable developments

- Mr. Callistus Obetta was appointed Group Executive, Technology and Services at FirstBank, effective 1 July, 2016
- African Development Bank (AfDB) approved \$300 million to refinance FirstBank’s trade finance transactions
- FirstBank sustained its leadership³ as the first financial institution in Nigeria to achieve 100 million electronic-banking transactions per month
- Mr. Bode Opadokun was appointed the MD/CEO of FBN General Insurance, effective 1 May, 2016

¹ Underwriting expenses of ₦710m included in fees and commission expense in prior period has now been reclassified to operating expenses

² Post tax return on average equity and assets as well as the net interest margin are annualised ratios

³ Recognised by Interswitch Transnational for processing 100 million transactions in December 2015 & May 2016

Selected Financial Summary

(Nbillion)	H1 2016	H1 2015	Δ%
Gross earnings	267.9	271.3	-1
Interest income	169.2	205.8	-18
Net interest income	126.1	132.7	-5
Non-interest income ⁷	94.1	61.9	52
Operating Income ⁹	220.1	194.6	13
Impairment charge for credit losses	69.9	22.6	-210
Operating expenses	104.3	119.9	-13
Profit before tax	45.9	52.1	-12
Profit after tax	35.9	40.1	-11
Basic EPS (kobo) ¹³	1.97	2.2	-11
Total assets	4,804.2	4,418.2	9
Customer loans & advances (Net)	2,111.8	2,086.0	1
Customer deposits	3,097.1	3,126.2	-1
Non-performing loans	531.7	87.4	509
Shareholders' funds	611.9	561.7	9

Key Ratios %	H1 2016	H1 2015
Post-tax return on average equity ⁴	12.0	14.8
Post-tax return on average assets ⁵	1.6	1.8
Earnings yield ⁶	9.7	12.2
Net interest margin ⁸	7.2	7.8
Cost of funds ¹⁰	2.4	4.0
Cost to income ¹¹	47.4	61.6
Gross loans to deposits	75.2	68.8
Liquidity (FirstBank(Nigeria))	55.9	34.7
Capital adequacy (FirstBank (Nigeria)) ¹²	15.4	15.8
Capital adequacy (FBN Merchant Bank)	27.9	17.2
NPL/Gross Loans	22.8	4.1
NPL coverage ¹⁴	41.5	127.0
PPOP ¹⁵ /impairment charge (times)	1.7	3.3
Cost of risk ¹⁶	6.5	2.1
Leverage (times) ¹⁷	7.9	7.9
BVPS ¹⁸	17.1	17.0

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

"FBNHoldings' performance has remained resilient in the challenging macroeconomic and business environment, further exacerbated by the devaluation of the Naira and by the persistent rise in inflation. The Group returned gross earnings of ₦267.9 billion and profit before tax of ₦45.9 billion; a reflection of the strength of our underlying business, improving cost control as well as optimisation of revenue generating opportunities. Focus remains on organic earnings generation, divestment of non-core assets, in addition to balance sheet efficiency to further enhance capital.

We remain focused on leveraging the strength of our diversified business model by exploiting synergy opportunities and cross-selling across our commercial banking, merchant banking & asset management as well as our insurance businesses towards creating sustainable value for our stakeholders."

⁴ Post-tax return on average equity computed as annualised profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders

⁵ Post-tax return on average assets computed as annualised profit after tax divided by the average opening and closing balances of its total assets

⁶ Earnings yield computed as annualised Interest income divided by the average opening and closing balances of interest earning assets

⁷ Non-interest income is net of fee and commission expenses

⁸ Net interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets

⁹ Operating income defined as Net interest income plus non-interest income

¹⁰ Cost of funds computed as annualised interest expense divided by average interest bearing liabilities

¹¹ Cost to income ratio computed as operating expenses divided by operating income

¹² Including H1 profits, CAR is 16.7% (H12015: 17.6%)

¹³ Basic EPS computed as annualised profit after tax attributable to shareholders divided by weighted average number of shares in issue.

¹⁴ NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs

¹⁵ PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

¹⁶ Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances

¹⁷ Total assets divided by shareholders' equity

¹⁸ BVPS - Book Value Per Share computed as total equity divided by number of outstanding shares

Group Financial Review

Income Statement

Gross earnings decreased by 1.2% y-o-y to ₦267.9 billion (Jun 2015: ₦271.3 billion) reflecting the slow business environment and restricted trade flows. Though interest income declined 17.8% y-o-y to ₦169.2 billion (Jun 2015: ₦205.8 billion), this was offset by a 52.0% y-o-y increase in non-interest income to ₦94.1 billion (June 2015: ₦61.9 billion).

Net interest income declined by 5.0% y-o-y to ₦126.1 billion (Jun 2015: ₦132.7 billion); impacted by the reduction in the average volume of loans to customers due to deliberate measures on moderating lending activities and lower yields from interest earning assets relative to the previous period. The decline in net interest income however, was in part moderated by a 41.0% y-o-y reduction in interest expense to ₦43.2 billion (Jun 2015: ₦73.1 billion) driven primarily by a 47.0% y-o-y reduction in interest on deposits from customers to ₦33.1 billion (June 2015: ₦62.5 billion) coupled with 24.6% y-o-y decrease in interest on borrowings to ₦7.4 billion (Jun 2015: ₦9.8 billion).

Cost of funds declined to 2.4% (Jun 2015: 4.0%) underscoring our strategy to optimise our deposit mix. Average yields on customers' loans, investment securities and loans to banks decreased to 12.3%, 8.9% and 1.9% respectively from 13.2%, 13.3% and 5.2% in the year ago period. Accordingly, the blended yield on interest earning assets declined to 9.7% (Jun 2015: 12.2%) while **net interest margins** decreased to 7.2% (Jun 2015: 7.8%).

Non-interest income (NII) increased by 52.0% y-o-y to ₦94.1 billion (Jun 2015: ₦61.9 billion and currently contributes 42.7% to net revenue (June 2015: 31.8%). Foreign exchange income in the period increased to ₦52.9 billion (Jun 2015: ₦16.9 billion), representing 56.3% of non-interest income (Jun 2015: 27.3%).

Fees and commission (F&C) income, representing 36.9% (Jun 2015: 53.6%) of total non-interest income, grew by 4.6% to close at ₦34.7 billion (Jun 2015: ₦33.2 billion). This improvement was driven primarily by: a 37.5% increase in electronic banking fees to ₦10.4 billion (Jun 2015: ₦7.5 billion) as well as other fees and commission (+35.6%) to ₦7.7 billion.

Underscoring the revenue synergies inherent in our business and enhancing the contribution of the non-commercial banking businesses to the Group, net insurance premium grew by 30.5% to ₦3.5 billion (Jun 2015: ₦2.7 billion) while financial advisory and fund management fees from our merchant banking and asset management business increased by 76.5% and 75.9% respectively to ₦3.2 billion and ₦1.2 billion.

Operating expenses decreased by 13.0% y-o-y to ₦104.3 billion (Jun 2015: ₦119.9 billion) due to broad based declines in: staff costs (-9.9%, ₦4.7 billion) to ₦42.8 billion; regulatory costs (-6.6%, ₦1.0 billion) to ₦14.3 billion; maintenance (-11.0%, ₦1.0 billion) to ₦8.2 billion; adverts and corporate promotions (-56.4%, ₦2.7 billion) to ₦2.1 billion as well as passages and travels (-31.3%, ₦0.9 billion) to ₦2.1 billion. This highlights our resolve to entrench efficiency in every aspect of our business as we focus on operational excellence.

Cost-to-income ratio improved to 47.4% (Jun 2015: 61.6%) on the back of the 13.0% y-o-y decline in operating expenses coupled with strong growth in operating income. In addition to consolidating on existing gains, we aim to extract further efficiencies from the initiatives below:

- Accelerated migration of a large number of back-end processes to the Central Processing Centre
- Implementation of shared services across the Group to drive economies of scale
- Enhancing budget discipline on tighter budget controls and monitoring with scheduled release of funds
- Enhancing workforce productivity
- Embracing leaner operating structures and automation of transactions and processes
- On-going implementation of enterprise resource planning (ERP) framework to drive process efficiencies

Net impairment charge on credit losses amounted to ₦69.9 billion (Jun 2015: ₦22.6 billion), primarily due to the impact of the devaluation of the Naira on the oil and gas, real estate and general¹⁹ sectors. We have continued to revamp our credit and risk management processes towards generating high quality assets and have begun to see improvements in this process operationally. **Cost of risk** closed at 6.5% (Jun 2015: 2.1%) and the **NPL ratio** also increased to 22.8% (Mar 2016: 21.5% Dec 2015: 4.1%). The NPL portfolio increased by 29.5% to ₦531.7 billion from ₦410.7 billion during the quarter under review, largely driven by the translation effect of the Naira devaluation, whilst there was not much increase in FCY NPL on dollar basis. Intense remediation and recovery activities are ongoing for prompt declassification of the non-performing accounts.

Profit before tax of ₦45.9 billion (Jun 2015: ₦52.1 billion), was 11.9% lower y-o-y. Income tax expense for the year was ₦10.0 billion (Jun 2015: ₦12.0 billion), bringing the effective tax rate for the period to 21.9% (Jun 2015: 23.1%). This resulted in **earnings per share**²⁰ of ₦1.97 (Jun 2015: ₦2.21), with **post-tax return**²¹ on **average equity** of 12.0% (Jun 2015: 14.8%) and **post-tax return**²¹ on **average total assets** of 1.6% (Jun 2015: 1.8%).

Statement of Financial Position

Total assets increased by 15.3% y-t-d to ₦4.8 trillion (Dec 2015: ₦4.2 trillion); essentially driven by growth in loans to banks and customers by 87.8% and 16.2% to ₦724 million and ₦2.1 trillion respectively (Dec 2015: ₦385.8 million and ₦1.82 trillion). Total interest earning assets grew by 19.6% y-t-d to ₦3.8 trillion from ₦3.2 trillion, representing 79.2% of total assets (Dec 2015: 76.3%).

Total customer deposits rose by 4.2%²¹ y-t-d to ₦3.1 trillion (Dec 2015: ₦2.97 trillion). We sustained effort in achieving an appropriate deposit mix at the right price. Underscoring this, the proportion of term deposits to total deposits remained stable but at a lower average cost. Low-cost deposits now represent 67.5% of the Group's total deposits from 67.3% as at December 2015. The deposit book remains well diversified with stable core deposits (deposits retained in excess of 2 years on a behavioural basis) in FirstBank (Nigeria) at 52% providing high quality funding. Furthermore, retail deposits in FirstBank (Nigeria) now represent 71.2% of total deposits (Dec 2015: 67.7%), with corporate and commercial banking deposits representing 15.0% of total deposits (Dec 2015: 20.1%). Public sector deposits now account for 11.9% from 10.4% while foreign currency (FCY) deposits represent 19.8% of the total (Dec 2015: 17.8%). We expect deposit growth to improve given the monetary policy stance of the Central Bank which is more supportive to our deposit drive.

¹⁹ General includes General commerce, Personal & Professional, Hotels & Leisure, Logistics

²⁰ Annualised

²¹ Adjusting for the impact of Naira devaluation, the Group's deposit book would have declined -0.3%

Total loans & advances to customers (net) increased by 16.2% y-t-d to ₦2.1 trillion (Dec 2015: ₦1.82 trillion) driven largely by the translation effect of the Naira devaluation on FCY loans. In dollar terms, year-to-date, our foreign currency net loans portfolio in FirstBank (Nigeria) declined by about \$200 million. In addition, customers have purchased a significant amount of foreign currency forward contracts from the Central Bank to pay down foreign currency obligations as they fall due in line with our strategic drive to minimise foreign currency risks on the balance sheet.

However, due to the impact of the currency devaluation, FCY loans, upon translation, as at H1 2016 constitute 51.7%²² of the loan portfolio (Dec 2015: 44.7%). The sectors largely affected by the devaluation are: oil & gas, manufacturing, power and information/technology. Adjusting for the impact of currency devaluation, loans and advances declined 1.3% y-t-d. Our portfolio re-balancing strategy gives priority to non-oil trades, short cycle and self-liquidating transactions in order to optimise portfolio mix, enhance portfolio yield and improve asset quality as well as enhance capital.

Shareholders' funds closed at ₦611.9 billion, up 5.7% y-t-d (Dec 2015: ₦578.8 billion), benefitting from revaluation gains of ₦32.1 billion taking foreign currency translation reserve to ₦40.1 billion (Dec 2015: ₦8.1 billion) as well as retained earnings of ₦26.6 billion closing at ₦189.8 billion (Dec 2015: ₦163.2 billion).

Capital adequacy ratio for FirstBank (Nigeria) closed at 15.4%²³ (Including H1 2016 profit: 16.7%) (Dec 2015: 17.1%); above the regulatory requirement of 15%, while tier 1 ratio was 11.96% (Dec 2015: 13.3%). Capital adequacy ratio (CAR) for the commercial banking group²⁴ closed at 16.8% (Dec 2015: 18.0%)²⁵, while the CAR for FBN Merchant Bank closed at 27.9% (Dec 2015: 24.9%) above the 10% required by regulation.

Liquidity ratio for FirstBank (Nigeria) closed at 55.9% (Dec 2015: 58.6%), in excess of the 30% regulatory requirement. This remains very strong and has been in excess of 50% for most of the year.

Business Groups^{26 27 28}:

Commercial Banking

- Gross earnings of ₦244.9 billion, down 2.6% year-on-year (Jun 2015: ₦251.5 billion)
- Net interest income of ₦122.7 billion, down 5.4% year-on-year (Jun 2015: ₦129.8 billion)
- Non-interest income of ₦78.6 billion, up 46.6% year-on-year (Jun 2015: ₦53.6 billion)
- Operating expenses of ₦94.7 billion, down 14.3% year-on-year (Jun 2015: ₦110.5 billion)
- Profit before tax of ₦36.6 billion, down 27.2% year-on-year (Jun 2015: ₦50.3 billion)
- Profit after tax of ₦29.4 billion, down 26.4% year-on-year (Jun 2015: ₦39.9 billion)
- Total assets of ₦4.59 trillion, up 15.4% year-to-date (Dec 2015: ₦3.97 trillion)
- Customers' loans and advances (net) of ₦2.13 trillion, up 17.4% year-to-date (Dec 2015: ₦1.82 trillion)

²² Pre-devaluation, foreign currency loans represent 42.9% of total loans

²³ Including H1 profits, CAR is 16.7% (H12015: 17.6%)

²⁴ This includes FirstBank (Nigeria) & its subsidiaries

²⁵ There is no regulatory requirement for CAR for the commercial banking group. This has only been provided for information only.

²⁶ Please refer to the 'Notes to Editors' section on page 12 for the companies in each business group.

²⁷ The pre-consolidation numbers of each of the business groups (net of intercompany adjustments) have been considered in discussing the performance of each business

²⁸ Post consolidation, the Commercial Banking, Merchant Bank & Asset Management, Insurance and Other Financial Services contributed 91.0%, 7.0%, 1.9% and 0.1% (June 2015: 91.5%, 6.7%, 1.5% and 0.3%) respectively to the Group's gross earnings and 78.5%, 21.5%, 2.3% and -2.3% (June 2015: 91.0%, 11.2%, 2.2% and -4.4%) to the Group's profit before tax.

- Customers' deposits of ₦3.0 trillion, up 3.9% year-to-date (Dec 2015: ₦2.9 trillion)

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

"We have again demonstrated very strong revenue generation capacity with gross earnings of ₦244.9 billion in the first half of the year. Again, this reflects that the fundamentals of our underlying business remain strong. In addition, we consolidated on improving trends in operating expenses, with a 14.3% y-o-y reduction achieved in a 16.5% inflationary environment.

Despite the ~40% devaluation impact on our risk assets, we have made progress with building stronger risk management architecture and strengthening the overall control environment. The economic slowdown has continued to constrain lending activities; however, as we overhaul our risk management processes, lending will be measured, very structured and controlled. We are focusing on growing transactions/activities of our existing customers as we keep leveraging our robust technology to provide digital banking and other innovative solutions to best serve our customers."

FirstBank (Nigeria)²⁹ ("FirstBank")

Gross earnings declined by 2.1% y-o-y to ₦219.1 billion (Jun 2015: ₦223.8 billion); driven by the 60.5% y-o-y increase in non-interest income to ₦72.1 billion (Jun 2015: ₦44.9 billion). This was however dampened by an 18.7% y-o-y drop in interest income to ₦141.9 billion (Jun 2015: ₦174.6 billion). The increase in non-interest income is attributed to the exchange gain on the back of currency devaluation, while the decline in interest income was due to a drop in average volume of loans to customers and lower yields on interest earning assets relative to the comparable period. The impact of the decrease in interest income was masked by a 41.3% y-o-y reduction in interest expense to ₦34.8 billion (Jun 2015: ₦59.3 billion) resulting in a 7.1% y-o-y decline in net interest income to ₦107.1 billion (Jun 2015: ₦115.3 billion).

With strong growth (+11.8% y-o-y) in operating income to ₦179.2 billion (Jun 2015: ₦160.3 billion), and a 15.9% y-o-y decrease in operating expenses to ₦83.6 billion (Jun 2015: ₦99.4 billion), the cost-to-income ratio dropped to 46.7% from 62.0% in the year ago period. Profit before tax however, declined by 17.9% to ₦33.2 billion (Jun 2015: ₦40.5 billion) mainly due to the impairment charge on credit losses of ₦62.3 billion (Jun 2015: ₦20.4 billion). The asset quality challenges were exacerbated by the impact of devaluation and scarcity of foreign currency (FCY) to repay maturing obligations. The Bank is intensifying the remediation and recovery efforts on delinquent accounts and expects the resolution to improve group's performance.

The Bank's cards and acceptance channels have continued to improve customer satisfaction while simultaneously diversifying our earnings base. We have steadily increased growth in our transaction volumes and value relative to the prior year across multiple platforms. Total debit cards grew 6.4% y-o-y to 8.1 million (Jun 2015: 7.6 million), Firstmonie customers increased (+31% y-o-y) to 3.9 million (Jun 2015: 2.97 million) with active POS terminals at 6,190 (+97.0% y-o-y) (Jun 2015: 3,142). In the same vein, FirstMobile³⁰ customer base grew (+84.8% y-t-d) to 343,990 from inception in December 2015 (Q1 2016: 186,116). We are increasing value-added services on our ATMs which now total 2,683 (Jun 2015: 2,656). Across our businesses, we are mining the opportunities presented by the spread of our alternative delivery channels, improving the profitability of our alternative channels and aggressively driving critical mass and digitization, reducing account dormancy to increase transaction velocity as well as aggressively growing our customer base towards generating better quality earnings on a sustainable basis.

²⁹ This relates to FirstBank Nigeria Only

³⁰ FirstMobile commenced operations commercially in December 2015

The Commercial Banking business contributed³¹ 91.0% (Jun 2015: 91.5%) to the Group's gross earnings and 78.5% (Jun 2015: 91.1%) to the Group's profit before tax.

Merchant Banking & Asset Management (MBAM)³²

Weak macroeconomic indices (rising inflation, foreign exchange scarcity, GDP contraction) continue to limit business activity and impact performance. In spite of this, MBAM's total revenue reduced by 1.1% to ₦18.7 billion (Jun 2015: ₦18.9 billion), while profit before tax increased by 66.1% to ₦9.8 billion (Jun 2015: ₦5.9 billion); demonstrating the resilient and diversified nature of the business portfolio. The key drivers of performance were the Investment Banking, Corporate Banking, Fixed Income Trading and Trustee businesses. The performance was also positively impacted by gains from the revaluation of foreign currency assets. Assets under management (managed funds) remained flat at ₦220 billion (Dec 2015: ₦219 billion) while total assets closed ₦186.7 billion (Dec 2015: ₦168.2 billion).

Looking ahead to the second half of the year, despite the more liberalised exchange rate system, fairly stable oil prices, and a budget aimed at stimulating growth, we expect the macro headwinds to persist for some time before noticeable improvements start to materialise. We however, expect our annuity like business to maintain a steady growth trajectory, whilst we cautiously grow our risk assets and seek to capitalise on periods of volatility.

The Merchant Banking and Asset Management business contributed³³ 7.0% (Jun 2015: 6.7%) to the Group's gross earnings and 21.5% (Jun 2015: 11.2%) to the Group's profit before tax.

Insurance

The insurance business group grew its revenue in the first half of the year due to increased sale of retail risk products, increased premium generation from corporate distribution and additional product offerings. The group continues to enjoy strong brand recognition and good patronage, which is reflected in its revenue profile. A new Managing Director has been appointed to drive the General Insurance business. The Life business is expanding its retail presence and exploring additional growth opportunities. The brokerage business on the other hand is expanding into the public sector and infrastructure development sector.

Revenue for the Insurance group increased by 31.7% y-o-y to ₦5.4 billion (Jun 2015: ₦4.1 billion). Profit before tax increased by 14.0% to ₦1.38 billion from ₦1.21 billion in June 2015 largely attributable to increased claims settled in the general business during the period. We remain reasonably optimistic of the prospects to increase revenues from retail and public sectors of the economy, while leveraging on the synergy opportunities within the Group. Total assets of the business closed at ₦27.2 billion, up 15.5% since Dec 2015 (Dec 2015: ₦23.6 billion).

The insurance business contributed²⁸ 1.9% (Jun 2015: 1.5%) to Group's gross earnings and 2.2% to the Group's profit before tax, similar to the prior period.

– ENDS –

³¹ Post consolidation

³² Following the acquisition of the Merchant Banking License in the latter part of 2015, the Investment Banking and Asset Management business (IBAM) is now the Merchant Banking & Asset Management Business (MBAM)

³³ Post consolidation

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the unaudited six months ended 30 June 2016 results later today **Tuesday 26 July 2016 at 3:00pm UK / 3:00pm Lagos / 10:00am New York / 4:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialling:

0708 060 1884 (Nigeria); **0800 279 4841** (United Kingdom) or **+44 20 3427 1910** (United Kingdom/Nigeria); **+1 718 354 1158** or **+1 877 280 1254** (United States); or **0800 984 127** or **+27 11 019 7076** (South Africa).

And then entering the following confirmation code: **5530142#**

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:

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

Passcode: **5530142#**

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

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

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

- H1 2016 Results Press Release [Click here](#)
- H1 2016 financial statements (unaudited) [Click here](#)

For further information please contact:

Oluyemisi Lanre-Phillips (Head, Investor Relations)

+234 1 905 2720

Oluyemisi.lanre-phillips@fbnholdings.com

Tolulope Oluwole

+234 1 905 1146

Tolulope.o.oluwole@fbnholdings.com

FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30 June 2016 N 'million	31 December 2015 N 'million	30 June 2016 N 'million	31 December 2015 N 'million
ASSETS				
Cash and balances with central banks	701,147	715,871	-	-
Loans and advances to banks	724,419	385,769	1,287	4,792
Loans and advances to customers	2,111,758	1,817,271	74	63
Financial assets at fair value through profit or loss	39,558	26,426	-	-
Investment securities				
-Available-for-sale investments	768,613	799,850	10,723	7,019
-Held to maturity investments	132,840	106,623	-	-
-Loans and receivables	13,796	7,306	-	-
Asset pledged as collateral	84,509	105,646	-	-
Other assets	56,579	35,483	602	4,670
Inventory	50,042	49,649	-	-
Investment properties	3,572	3,025	-	-
Investments in associates accounted for using the equity method	-	-	1,500	1,500
Investment in subsidiaries	-	-	263,595	263,595
Property, plant and equipment	89,692	88,398	1,013	1,192
Intangible assets	12,751	9,687	-	-
Deferred tax assets	14,961	14,615	-	-
	4,804,237	4,165,619	278,794	282,831
Asset held for sale	-	570	-	-
Total assets	4,804,237	4,166,189	278,794	282,831
LIABILITIES				
Deposits from banks	395,418	144,652	-	-
Deposits from customers	3,097,105	2,970,922	-	-
Financial liabilities at fair value through profit or loss	36,629	12,488	-	-
Current income tax liability	11,913	8,773	-	-
Other liabilities	282,463	168,441	6,768	5,751
Liability on investment contracts	14,340	10,157	-	-
Liability on insurance contracts	16,087	11,837	-	-
Borrowings	334,259	256,116	-	-
Retirement benefit obligations	3,857	3,764	-	-
Deferred tax liabilities	238	239	-	-
	4,192,309	3,587,389	6,768	5,751
Liabilities held for sale	-	-	-	-
Total liabilities	4,192,309	3,587,389	6,768	5,751
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	252,892	252,892	252,892	252,892
Retained earnings	189,796	163,198	851	5,885
Other reserves				
Statutory reserve	67,647	66,647	-	-
Capital reserve	1,223	1,223	10	10
SSI Reserve	6,076	6,076	-	-
AFS Fair value reserve	28,764	56,241	325	345
Contingency Reserve	603	438	-	-
Statutory credit reserve	4,641	2,433	-	-
Treasury shares	-	-	-	-
Foreign currency translation reserve	40,083	8,029	-	-
	609,673	575,125	272,026	277,080
Non-controlling interest	2,255	3,675	-	-
Total equity	611,928	578,800	272,026	277,080
Total equity and liabilities	4,804,237	4,166,189	278,794	282,831

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Quarter ended 30 June 2016	Year to date 30 June 2016	Quarter ended 30 June 2015	Year to date 30 June 2015
	N 'million	N 'million	N 'million	N 'million
Continuing operations				
Interest income	85,745	169,201	110,490	205,798
Interest expense	(23,567)	(43,151)	(37,360)	(73,102)
Net interest income	62,178	126,050	73,130	132,696
Impairment charge for credit losses	(57,161)	(69,914)	(18,502)	(22,583)
Net interest income after impairment charge for credit losses	5,017	56,136	54,628	110,113
Insurance premium revenue	2,372	4,047	1,378	3,241
Insurance premium revenue ceded to reinsurers	(411)	(536)	(379)	(551)
Net insurance premium revenue	1,961	3,511	999	2,690
Fee and commission income	18,220	34,709	18,158	33,171
Fee and commission expense	(2,510)	(4,654)	(1,360)	(3,594)
Net gains on foreign exchange	51,516	52,914	7,213	16,919
Net gains on investment securities	1,526	4,991	5,208	5,371
Net (losses)/ gains from financial instruments at FVTPL	(498)	224	1,175	3,740
Dividend income	740	773	40	1,543
Other operating income	1,218	1,591	1,184	2,033
Insurance claims	(797)	(1,166)	(253)	(788)
Personnel expenses	(21,332)	(42,767)	(25,094)	(47,461)
Depreciation, amortisation and impairment	(3,655)	(7,241)	(3,196)	(6,657)
Operating expenses	(27,571)	(53,135)	(33,560)	(64,994)
Operating profit/ (loss)	23,835	45,885	25,141	52,086
Share of profit of associates	-	-	-	-
Profit before tax	23,834	45,885	25,141	52,086
Income tax expense	(8,704)	(10,031)	(7,684)	(12,025)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	15,130	35,854	17,457	40,061
Discontinued operations				
Profit for the year from discontinued operations	-	-	-	-
PROFIT FOR THE PERIOD	15,130	35,854	17,457	40,061
Profit attributable to:				
Owners of the parent	14,888	35,355	17,254	39,616
Non-controlling interests	243	500	203	445
	15,130	35,854	17,457	40,061
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		0.98		1.10
From discontinued operations		-	-	-
From profit for the period		<u>0.98</u>		<u>1.10</u>

FBN Holdings Plc.

INCOME STATEMENT

	COMPANY			
	Quarter ended	Year to date	Quarter ended	Year to date
	30 June 2016	30 June 2016	30 June 2015	30 June 2015
	N 'million	N 'million	N 'million	N 'million
Continuing operations				
Interest income	176	324	193	239
Interest expense	-	-	-	-
Net interest income	176	324	193	239
Impairment charge for credit losses	-	-	-	-
Net interest income after impairment charge for credit losses	176	324	193	239
Insurance premium revenue	-	-	-	-
Insurance premium revenue ceded to reinsurers	-	-	-	-
Net insurance premium revenue	-	-	-	-
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Net gains on foreign exchange	85	93	(3)	18
Net gains/ (losses) on investment securities	0	2	-	(1)
Net gains from financial instruments at FVTPL	-	-	-	-
Dividend income	1,259	1,259	1,032	1,032
Other operating income	13	15	16	25
Insurance claims	-	-	-	-
Personnel expenses	(128)	(243)	(101)	(192)
Depreciation, amortisation and impairment	(94)	(187)	(95)	(188)
Operating expenses	(591)	(893)	(512)	(850)
Operating profit/ (loss)	721	371	530	83
Share of profit of associates	-	-	-	-
Profit/ (loss) before tax	722	370	530	83
Income tax expense	(20)	(20)	-	-
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	701	350	530	83
Discontinued operations				
Profit for the year from discontinued operations	-	-	-	-
PROFIT/ (LOSS) FOR THE PERIOD	701	350	530	83
Profit/(loss) attributable to:				
Owners of the parent	701	350	530	83
Non-controlling interests	-	-	-	-
	701	350	530	83
Earnings per share attributable to owners of the parent				
Basic/diluted earnings/ (loss) per share (expressed in naira per share):				
From continuing operations		0.01		0.00
From discontinued operations		-		-
From profit/ (loss) for the period		<u>0.01</u>		<u>0.00</u>

- Notes to Editors -

FBN Holdings Plc. (ISIN: NGFBNH000009) is the most diversified financial services group in Nigeria. FBN Holdings Plc. was incorporated in Nigeria on 14 October 2010, following the business reorganisation of the FirstBank Group into a holding company structure. The Company was listed on the Nigerian Stock Exchange under the 'Other Financial services' sector on 26 November 2012 and now has issued and fully paid-up share capital of 35,895,292,792 ordinary shares of 50 kobo each (₦17,947,646,396). FBNHoldings has an unlisted Global Depositary Receipt (GDR) program which is in the process of being wound-up. There are currently 3,754 GDRs outstanding with each unit represented by 50 units of ordinary shares. More information can be found on our website www.fbnholdings.com.

The subsidiaries of FBNHoldings offer a broad range of products and services across commercial banking in 12 countries (Lagos, Nigeria; London, United Kingdom; Paris, France; Johannesburg, South Africa; Beijing, China; Abu Dhabi, UAE; Kinshasa, Democratic Republic of Congo, Accra, Ghana; Banjul, Gambia, Conakry, Guinea, Freetown, Sierra Leone and Dakar, Senegal), merchant banking and asset management as well as insurance. The Group, employing about 9,300 staff, has about 11.9 million active customer accounts (in the principal subsidiary – FirstBank (Nigeria)), through about 863 business locations (615 local branches, 63 QSP, 68 agencies/cash centres for FirstBank (Nigeria) and 114 (local and international) subsidiary locations). The Group boasts an excellent corporate governance structure underpinned by strong institutional processes, systems and controls. FBN Holdings Plc. is structured essentially under three business groups, namely: Commercial Banking, Merchant Banking and Asset Management as well as Insurance.

Commercial Banking comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC³⁴, West Africa³⁵ subsidiaries, representative offices in Abu Dhabi, Beijing, Johannesburg and Paris as well as First Pension Fund Custodian and FBN Mortgages. FirstBank is the principal subsidiary of FBNHoldings with operations in 12 countries offering banking services to both individual and corporate clients.

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

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

³⁴ Previously, Banque Internationale de Credit (BIC)

³⁵ Comprising locations in Ghana, Gambia, Guinea, Sierra Leone, Ghana and Senegal

Cautionary note regarding forward looking statements

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

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