

PRESS RELEASE

Lagos, Nigeria – 26 October 2017

FBN HOLDINGS PLC. REPORTS GROSS EARNINGS OF ₦439.2 BILLION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its unaudited results for the nine months ended 30 September 2017.

Income Statement

- Gross earnings of ₦439.2 billion, up 5.2% year-on-year (y-o-y) (Sept 2016: ₦417.4 billion)
- Net-interest income of ₦254.3 billion, up 25.3% y-o-y (Sept 2016: ₦202.9 billion)
- Non-interest income of ₦74.0 billion, down 43.5% y-o-y (Sept 2016: ₦131.0 billion)¹
- Operating income of ₦328.1 billion, down 1.7% y-o-y (Sept 2016: ₦333.9 billion)
- Impairment charge for credit losses of ₦97.6 billion, down by 14.9% y-o-y (Sept 2016: ₦114.7 billion)
- Operating expenses of ₦175.3 billion, up 8.4% y-o-y (Sept 2016: ₦161.8 billion)
- Profit before tax of ₦55.4 billion, down 3.5% y-o-y (Sept 2016: ₦57.5 billion)
- Profit after tax ₦45.8 billion, up 7.8% y-o-y (Sept 2016: ₦42.5 billion)

Statement of Financial Position

- Total assets of ₦4.9 trillion, up 2.7% year-to-date (y-t-d) (Dec 2016: ₦4.7 trillion)
- Customer deposits of ₦3.0 trillion, down 5.3% y-t-d (Dec 2016: ₦3.1 trillion)
- Customer loans and advances (net) of ₦2.0 trillion, down 1.9% y-t-d (Dec 2016: ₦2.1 trillion)

Key Ratios

- Post-tax return on average equity of 10.1% (Sept 2016: 9.4%)²
- Post-tax return on average assets of 1.3% (Sept 2016: 1.2%)²
- Net-interest margin of 8.8% (Sept 2016: 7.5%)²
- Cost to income ratio of 53.4% (Sept 2016: 48.4%)³
- NPL ratio⁴ of 20.1% (Sept 2016: 24.9%, Dec 2016: 24.4%)
- 47.4% liquidity ratio (FirstBank (Nigeria) (Sept 2016: 54.3%, Dec 2016: 52.7%)
- 17.2% Basel 2 CAR⁵ (FirstBank (Nigeria) (Sept 2016: 15.4%, Dec 2016: 17.8%)
- 23.1% Basel 2 CAR (FBN Merchant Bank) (Sept 2016: 28.9%, Dec 2016: 22.6%)

Notable Developments

- Leadership changes across the Group:
 - FBNHoldings:
 - ✓ Seye Kosoko appointed as Company Secretary, FBN Holdings Plc, subject to regulatory approval, as Tijjani Borodo retires
 - Commercial Banking Group:
 - ✓ Tosin Adewuyi, appointed Executive Director, Business Development, FBNBank UK
 - Insurance Group:
 - ✓ Babatunde Mimiko appointed, Executive Director, FBNGeneral Insurance
 - ✓ Ekpe Ukpabio appointed, Executive Director, FBN Insurance Ltd
 - ✓ Folake Ani-Mumuney, Bode Opadokun and Seye Kosoko, all appointed Non-Executive Directors of FBN Insurance Brokers Ltd, subject to regulatory approval

¹ FX revaluation gain in 9M 2017: ₦0.66 billion (9M2016: ₦59.1 billion)

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

³ Adjusting for FX gains, cost to income would be 58.9%

⁴ June 2017: 22.0%, March 2017: 26.0%

⁵ CAR – Capital Adequacy Ratio

- FirstBank acquires the balance of 25% equity holdings in FBNBank DRC Ltd, making it a wholly owned subsidiary
- FirstBank mobile platform achieves the fastest growing mobile banking penetration across Africa, becoming the highest card transacting bank on the Interswitch payment platform⁶
- FirstBank card issuance reaches 10 million cards, making FirstBank the first in the Nigerian Banking industry and the second in Africa to achieve this milestone⁶
- FBN Merchant Bank acquires FBN Capital Asset Management and FBN Securities from FBN Capital Limited

Selected Financial Summary

Income statement

(Nbillion)	9M 2017	9M 2016	Δ%
Gross earnings	439.2	417.4	5.2
Interest income	356.1	278.6	27.8
Net-interest income	254.3	202.9	25.3
Non-interest income ¹⁰	74.0	131.0	- 43.5
Operating Income ¹²	328.1	333.9	-1.7
Impairment charge for credit losses	97.6	114.7	-14.9
Operating expenses	175.3	161.8	8.4
Profit before tax	55.4	57.5	-3.5
Profit after tax	45.8	42.5	7.8
Basic EPS (kobo) ¹⁶	1.64	1.56	5.2

Statement of Financial Position

(Nbillion)	9M 2017	FY 2016	Δ%
Total assets	4,863.9	4,736.8	2.7
Customer loans & advances (Net)	2,043.9	2,083.9	-1.9
Customer deposits	2,938.5	3,104.2	-5.3
Non-performing loans	458.1	584.2	-21.6
Shareholders' funds	631.1	582.6	8.3

Key Ratios %	9M 2017	9M 2016
Post-tax return on average equity ⁷	10.1	9.4
Post-tax return on average assets ⁸	1.3	1.2
Earnings yield ⁹	12.3	10.2
Net-interest margin ¹¹	8.8	7.5
Cost of funds ¹³	3.5	2.7
Cost to income ¹⁴	53.4	48.4
Gross loans to deposits	77.7	75.1
Liquidity (FirstBank(Nigeria))	47.4	54.3
Capital adequacy (FirstBank (Nigeria)) ¹⁵	17.2	15.4
Capital adequacy (FBN Merchant Bank) ¹¹	23.1	28.9
NPL/Gross Loans	20.1	24.9
NPL coverage ¹⁷	57.6	43.6
PPOP ¹⁸ /impairment charge (times)	1.6	1.5
Cost of risk ¹⁹	5.6	6.9
Leverage (times) ²⁰	7.7	8.1
BVPS ²¹	17.6	17.4

⁶ 2017 Interswitch Awards

⁷ 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

⁸ Post-tax return on average assets computed as annualised profit after tax divided by the average opening and closing balances of its total assets

⁹ Earnings yield computed as annualised Interest income divided by the average opening and closing balances of interest earning assets

¹⁰ Non-interest income is net of fee and commission expenses

¹¹ Net-interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets

¹² Operating income defined as Net interest income plus non-interest income

¹³ Cost of funds computed as annualised interest expense divided by average interest-bearing liabilities

¹⁴ Cost to income ratio computed as operating expenses divided by operating income

¹⁵ Excluding 9M 2017 profits

¹⁶ Basic EPS computed as annualised profit after tax divided by weighted average number of shares in issue

¹⁷ NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs

¹⁸ PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

¹⁹ Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances

²⁰ Total assets divided by shareholders' equity

²¹ BVPS - Book Value Per Share computed as total equity divided by number of outstanding shares

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

“FBNHoldings has again demonstrated its resilience in revenue generation with a 5.2% y-o-y growth in gross earnings to ₦439.2 billion following a y-o-y increase of 25.2% in net interest income to ₦254.3 billion. The Group is progressing in building the right structures for sustainable growth through an improved credit culture and risk management; increased technologically driven operational efficiencies; and the introduction of revenue enhancing platforms.

The Insurance group sustained its strong performance and we expect to see further growth from the retail, corporate and annuity businesses. Similarly, we continue to see strong growth trajectory in the Merchant Banking and Asset Management group. These businesses complement our commercial banking business in our aspiration to becoming the leading financial services institution in Middle Africa.

We remain confident that the initiatives being implemented across our subsidiaries will further strengthen our business and ultimately reposition the Group for sustainable growth”

Group Financial Review

Income Statement

Gross earnings grew by 5.2% y-o-y to ₦439.2 billion (Sept 2016: ₦417.3 billion), driven largely by a 27.8% y-o-y growth in interest income. This was partly offset by a 43.5% y-o-y decline in non-interest income. Interest income and non-interest income contributed 81.3% and 18.7% respectively. The growth in interest income to gross earnings was driven by increased investment in securities.

Net-interest income improved by 25.3% y-o-y to ₦254.3 billion (Sept 2016: ₦202.9 billion), driven by a 27.8% y-o-y increase in interest income to ₦356.1 billion (Sept 2016: ₦278.6 billion), and by improved yields on interest earning assets and continuous optimisation of the loan book. However, these achievements were partly offset by a 34.4% y-o-y increase in interest expense to ₦101.7 billion (Sept 2016: ₦75.7 billion) resulting from the high interest rate environment.

Cost of funds increased to 3.5% (Sept 2016: 2.7%), mainly on the back of the high interest rate environment and the impact of the MPR-indexed pricing on our savings deposits. Notwithstanding, the Group continued to optimise its balance sheet and achieved stronger blended yield on interest earning assets of 12.3% (Sept 2015: 10.2%). Consequently, **net-interest margin** increased to 8.8% from 7.5% in prior period.

Non-interest income (NII) declined by 43.5% y-o-y to ₦74.0 billion from ₦131.0 billion in the prior period, driven by the base effect on Foreign exchange income (including FX revaluation gains). Foreign exchange income declined to ₦5.6 billion (Sept 2016: ₦68.4 billion), representing 7.6% of non-interest income against 52.2% in the prior period. Excluding FX revaluation gains of the previous year, NII inched up by 2.0%.

Fees and commission (F&C) income, representing 73.3% (Sept 2016: 40.2%) of total non-interest income, increased by 3.0% y-o-y to ₦54.3 billion (Sept 2016: ₦52.7 billion). This improvement was driven primarily by: a 1.2% y-o-y increase in electronic banking fees to ₦15.7 billion (Sept 2016: ₦15.5 billion); 25.5% y-o-y growth in custodian fees to ₦4.3 billion (Sept 2016: ₦3.5 billion); 50.2% y-o-y growth in other fees and commission to ₦9.2 billion (Sept 2016: ₦6.1 billion); 45.2% y-o-y growth in credit related fees to ₦3.9 billion (Sept 2016:

₦2.7 billion); (Sept 2016: ₦2.7 billion); a 99.1% y-o-y rise in letter of credit commission and fees to ₦3.0 billion (Sept 2016: ₦1.5 billion); as well as a 5.5% y-o-y increase in fund transfer and intermediation fees to ₦3.2 billion (Sept 2016: ₦3.0 billion). The contribution of electronic banking fees to the total F&C income decreased slightly to 28.9% (Sept 2016: 29.4%) following the revision on bank charges from the CBN.

As a result of the FirstBank's initiatives implemented to enhance revenue generation through alternative channels, FirstBank became the first financial institution in Nigeria and West Africa sub-region to issue 10 million cards to customers. In addition, following the initiatives to diversify the digital bank offerings, the Bank won the awards for the "fastest mobile penetration bank across Africa", "highest card transacting bank" and "highest issuer of Verve cards".

Net insurance premium represents 10.9% of non-interest income (Sept 2016: 5.2%) and it is up 17.6% y-o-y to ₦8.1 billion (Sept 2016: ₦6.8 billion) as we remain focused on further driving revenues across the Group.

Operating expenses increased by 8.4% y-o-y to ₦175.3 billion (Sept 2016: ₦161.8 billion) but remain below the headline inflation rate of 15.9%. The increase is as a result of the general inflationary environment and the impact of currency devaluation which were partly offset by a decline in personnel expenses, as we continue our efforts to improve productivity, optimise cost and increase operational efficiency.

Cost-to-income ratio closed at 53.4% y-o-y (Sept 2016: 48.4%²²). The progress made on our cost optimisation is impacted by the current operating environment. We expect further efficiency gains across the Group as we begin to extract the benefits of the ongoing implementation of the ERP/ERM and other technology enabled initiatives.

Net impairment charge on credit losses declined by 14.9% to ₦97.6 billion (Sept 2016: ₦114.7 billion) as we continue to progress on remediation and recoveries as well as asset quality strategies. Consequently, **cost of risk** decreased to 5.6% (Sept 2016: 6.9%), while the non-performing loans ratio declined to 20.1% (Sept 2016: 24.9%, Dec 2016: 24.4%, March 2017: 26.0% and June 2017: 22.0%). We are on track to meet our 2017 NPL ratio guidance, in line with our long-term strategic outlook.

Profit before tax decreased by 3.5% y-o-y to ₦55.4 billion (Sept 2016: ₦57.5 billion). Income tax expense was down to ₦9.6 billion (Sept 2016: ₦14.9 billion). **Earnings per share**²³ increased by 5.2% y-o-y to ₦1.64 (Sept 2016: ₦1.56).

²² Adjusting for FX gains, cost to income ratio would have been 58.9%

²³ Annualised from continued operations

Statement of Financial Position

Total assets increased by 2.7% y-t-d to ₦4.9 trillion (Dec 2016: ₦4.7 trillion); this was largely driven by a 7.1% y-t-d increase in investment securities to ₦1.34 trillion (Dec 2016: ₦1.25 trillion); and a 41.9% y-t-d increase in loans to banks to ₦631.5 billion (Dec 2016: ₦444.9 billion). Earning assets have been further optimised with total interest earning assets growing by 5.7% y-t-d to ₦3.96 trillion from ₦3.74 trillion in December 2016, representing 81.3% of total assets (Dec 2016: 79.0%).

Total customer deposits declined by 5.3% y-t-d to ₦2.9 trillion (Dec 2016: ₦3.1 trillion) as we focused on growing inexpensive deposit at the right mix. The Group's deposit base remains overall stable and strong with a growing retail franchise and about 13 million active customer accounts. The decline in domiciliary deposits y-t-d can be attributed primarily to the state related remittances made and reported during the half year results. Similarly, term deposits declined to ₦841.2 billion (Dec 2016: ₦842.3 billion). On the other hand, Savings deposits, representing a very stable funding base, has continued to increase to ₦974.1 billion, up 2.2% y-o-y (Dec 2016: ₦952.7 billion) reflecting the strength of the franchise and its well-diversified funding base.

Total loans & advances to customers (net) declined by 1.9% y-t-d to ₦2.0 trillion (Dec 2016: ₦2.1 trillion) primarily following repayments and write-off of assets that had been fully impaired. This result speaks to the efforts being made to strengthen asset quality in a sustainable manner while cleaning up our legacy asset position. Sectors contributing to growth in the quarter are; manufacturing, agriculture and general²⁴.

Shareholders' funds closed at ₦631.1 billion, up 8.3% y-t-d (Dec 2016: ₦582.6 billion), benefitting largely from an increase in: retained earnings (up 21.4% y-t-d to ₦196.2 billion (Dec 2016: ₦161.6 billion)); AFS (up 23.2% y-t-d to ₦33.9 billion (Dec 2016: ₦27.5 billion)); foreign currency translation reserves (up 13.3% y-t-d to ₦39.4 billion (Dec 2016: ₦34.8 billion)); as well as, SSI²⁵ reserve (up 41.4% y-t-d to ₦8.6 billion (Dec 2016: ₦6.1 billion)).

Capital adequacy ratio for FirstBank (Nigeria) closed at 17.2% (Dec 2016: 17.8%) 220bps above the regulatory minimum of 15%, while the Capital adequacy ratio for FBN Merchant Bank closed at 23.1% (Dec 2016: 22.6%) above the 10% required by regulation for Merchant Banks.

Liquidity ratio for FirstBank (Nigeria) remains healthy at 47.4% (Dec 2016: 52.7%) above the 30% regulatory mark.

²⁴ General sector includes personal & professional, hotel & leisure, logistics and religious bodies
²⁵ Small Scale Industries

Business Groups^{26 27 28}:

Commercial Banking

- Gross earnings of ₦398.0 billion, up 4.5% y-o-y (Sept 2016: ₦381.0 billion)
- Net interest income of ₦241.6 billion, up 22.4% y-o-y (Sept 2016: ₦197.4 billion)
- Non-interest income of ₦56.6 billion, down 47.4% y-o-y (Sept 2016: ₦107.6 billion)²⁹
- Operating expenses of ₦156.4 billion, up 8.0% y-o-y (Sept 2016: ₦144.9 billion)
- Profit before tax of ₦44.2 billion, down 2.7% y-o-y (Sept 2016: ₦45.4 billion)
- Profit after tax of ₦37.3 billion, up 3.2% y-o-y (Sept 2016: ₦36.2 billion)
- Total assets of ₦4.6 trillion, up 2.7% y-t-d (Dec 2016: ₦4.5 trillion)
- Customers' loans and advances (net) of ₦2.05 trillion, down 1.6% y-t-d (Dec 2016: ₦2.09 trillion)
- Customers' deposits of ₦2.8 trillion, down 6.1% y-t-d (Dec 2016: ₦3.0 trillion)

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

"On the back of a stronger balance sheet and despite the challenging but improving economic environment, the commercial banking group delivered a 4.5% y-o-y growth in gross earnings - a testament to its resilient revenue generation capabilities.

"To further support future revenue generation and in line with our strategic imperatives to reposition the commercial banking business, we are expanding our digital banking initiatives and transforming our business model to increase customer acquisition and retention, providing a renewed customer experience. To improve profitability in a sustainable way, the Group is increasingly optimising its cost base, leveraging on technology. In addition, good progress is being made in strengthening the credit processes end to end and improving the quality of the loan book while resolving the legacy assets."

The Commercial Banking business contributed 90.4% (Sept 2016: 91.0%) to gross earnings of the Group and 78.8% (Sept 2016: 77.8%) to its profit before tax.

Merchant Banking & Asset Management (MBAM)

Despite the reported 0.55% GDP growth in the economy as at the end of the second quarter, liquidity remained tight as the CBN continued to mop up excess liquidity to contain inflation. Similarly, interest rates remained high during the quarter. Notwithstanding the fragile economy, the merchant banking and asset management businesses recorded a 0.9% y-o-y growth in Total revenue to ₦28.0 billion (Sept 2016: ₦27.7 billion). This demonstrates the strength and diversified nature of the business portfolio. Profit before tax however closed at ₦9.1 billion (Sept 2016: ₦12.7 billion) as the FX revaluation gain from last year has been significantly reduced.

Revenue was driven by the Fixed Income, Asset Management, Trustees and Corporate banking businesses. Assets under Management (AuM) across the group (FBN Capital Asset Management, FBN Trustees and FBN Funds) increased by 11% y-o-y to close at ₦238 billion, as total assets declined 8.4% y-t-d to close at ₦178.8 billion (Dec 2016 ₦195.1 billion).

²⁶ Please refer to the 'Notes to Editors' section on page 11 for the companies in each business group

²⁷ The pre-consolidation numbers of each of the business groups have been considered in discussing their performance

²⁸ Post consolidation, the Commercial Banking, Merchant Bank & Asset Management, Insurance and Other services contributed 90.6%, 6.3%, 2.8% and 0.3% (Sept 2016: 91.0%, 6.6%, 2.2% and 0.1%) respectively to the Group's gross earnings and 79.8%, 16.1%, 6.3% and -2.3% (Sept 2016: 77.8%, 22.1%, 3.5% and -3.3%) to the Group's profit before tax.

²⁹ FX revaluation gain in 9M 2017: -₦2.2 billion (9M2016: ₦50.3 billion)

We expect an improvement in business activity for the rest of the year as investors' confidence is restored in the FX markets and the Nigerian economy in general. The strategy remains to continue to accelerate growth in our chosen market segments, optimise collaboration by leveraging the right partnerships, and sustain service delivery by leveraging technology.

The Merchant Banking and Asset Management business contributed 6.3% (Sept 2016: 6.6%) to gross earnings of the Group and 16.1% (Sept 2016: 22.1%) to profit before tax.

Insurance

The insurance business group continued to deliver superior performance driven by retail sales and business penetration. Profitability was further improved through cost optimisation and efficiency initiatives within the group.

Gross Premium Written increased by 60.4% to close at ₦17.2 billion (Sept 2016: ₦10.7 billion). Total revenue increased by 28.9% y-o-y to ₦12.5 billion (Sept 2016: ₦9.7 billion), while profit before tax rose to ₦3.5 billion, up 54.9% y-o-y (Sept 2016: ₦2.3 billion). The business group's total assets increased by 41.0% y-t-d to ₦45.5 billion (Dec 2016: ₦32.3 billion).

Revenue growth sectors for the group include retail, corporate and annuity businesses. We remain committed to grow the business profitably through efficient risk management, strong technical capabilities and reinsurance facility optimisation, whilst focusing on excellent service delivery.

The insurance business contributed 2.8% (Sept 2016: 2.2%) to the Group's gross earnings and 6.3% (Sept 2016: 3.5%) to its profit before tax.

– ENDS –

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the unaudited nine months ended 30 September 2017 results on **Friday 27 October 2017 at 3:00pm UK / 3:00pm Lagos / 10:00am New York / 4:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialing:

+234 1 277 6330 (Nigeria); **0800 279 7204** or **+44 330 336 9411** (United Kingdom); **+1 800 289 0438** or **+1 719 325 2231** (United States); and **0800 998 654** or **+27 11 844 6118** (South Africa).

and then entering the following confirmation code: **5264582#**

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 dialing:

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

and then entering the following code: **5264582#**

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

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

The related document is available on our website <http://ir.fbnholdings.com/>

- 9M 2017 financial statements (unaudited) [Click here](#)

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FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30 September 2017 N 'million	31 December 2016 N 'million	30 September 2017 N 'million	31 December 2016 N 'million
ASSETS				
Cash and balances with central banks	577,084	690,165	-	-
Loans and advances to banks	631,461	444,871	4,677	645
Loans and advances to customers	2,043,915	2,083,894	136	65
Financial assets at fair value through profit or loss	39,602	46,711	-	-
Investment securities				
-Available-for-sale investments	1,124,999	921,753	10,215	12,350
-Held to maturity investments	100,241	108,479	-	-
-Loans and receivables	13,789	20,356	-	-
Asset pledged as collateral	98,066	197,420	-	-
Other assets	64,231	47,786	299	10,599
Investment properties	3,003	3,003	-	-
Investments in associates accounted for using the equity method	1,315	1,114	-	-
Investment in subsidiaries	-	-	242,395	242,395
Property, plant and equipment	84,119	88,315	665	849
Intangible assets	15,119	15,328	-	-
Deferred tax assets	17,556	17,278	-	-
	4,814,500	4,686,473	258,387	266,903
Asset held for sale	49,411	50,332	-	-
Total assets	4,863,911	4,736,805	258,387	266,903
LIABILITIES				
Deposits from banks	606,673	416,078	-	-
Deposits from customers	2,938,451	3,104,221	-	-
Financial liabilities at fair value through profit or loss	6,721	37,137	-	-
Current income tax liability	10,203	8,897	37	84
Other liabilities	225,450	235,388	6,618	7,114
Liability on investment contracts	12,006	9,440	-	-
Liability on insurance contracts	17,411	10,287	-	-
Borrowings	398,877	316,792	-	-
Retirement benefit obligations	3,269	2,662	-	-
Deferred tax liabilities	1,079	813	-	-
	4,220,140	4,141,715	6,655	7,198
Liabilities held for sale	12,720	12,515	-	-
Total liabilities	4,232,860	4,154,230	6,655	7,198
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392
Retained earnings	196,156	161,631	9	8,008
Other reserves				
Statutory reserve	76,238	76,226	-	-
Capital reserve	1,223	1,223	10	10
SSI Reserve	8,591	6,076	-	-
AFS Fair value reserve	33,897	27,507	373	347
Contingency Reserve	968	727	-	-
Statutory credit reserve	23,640	23,640	-	-
Foreign currency translation reserve	39,377	34,753	-	-
	631,430	583,123	251,732	259,705
Non-controlling interest	(379)	(548)	-	-
Total equity	631,051	582,575	251,732	259,705
Total equity and liabilities	4,863,911	4,736,805	258,387	266,903

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Quarter ended 30 September 2017 N 'million	Year to date 30 September 2017 N 'million	Quarter ended 30 September 2016 N 'million	Year to date 30 September 2016 N 'million
Continuing operations				
Interest income	123,698	356,076	109,376	278,577
Interest expense	(33,438)	(101,731)	(32,515)	(75,666)
Net interest income	90,260	254,345	76,861	202,911
Impairment charge for credit losses	(35,180)	(97,588)	(44,802)	(114,717)
Net interest income after impairment charge for credit losses	55,080	156,757	32,058	88,194
Insurance premium revenue	3,326	10,523	3,608	7,656
Insurance premium revenue ceded to reinsurers	(782)	(2,470)	(271)	(807)
Net insurance premium revenue	2,544	8,053	3,337	6,849
Fee and commission income	17,521	54,283	17,993	52,702
Fee and commission expense	(3,181)	(9,087)	(3,091)	(7,745)
Net gains on foreign exchange	594	5,602	15,486	68,401
Net gains on investment securities	1,004	835	(589)	4,402
Net gains from financial instruments at FVTPL	2,644	8,598	3,069	3,292
Dividend income	160	1,986	73	846
Other operating income	2,142	3,495	692	2,283
Insurance claims	(984)	(2,531)	(1,693)	(2,858)
Personnel expenses	(21,059)	(63,059)	(22,625)	(65,391)
Depreciation, amortisation and impairment	(3,894)	(11,581)	(3,780)	(11,021)
Operating expenses	(32,827)	(98,174)	(29,360)	(82,499)
Operating profit	19,744	55,177	11,570	57,455
Share of profit of associates	62	256	-	-
Profit before tax	19,806	55,433	11,570	57,455
Income tax expense	(3,452)	(9,594)	(4,907)	(14,938)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	16,354	45,839	6,663	42,517
Discontinued operations				
Loss for the period from discontinued operations	(289)	(837)	-	-
PROFIT FOR THE PERIOD	16,065	45,002	6,663	42,517
Profit attributable to:				
Owners of the parent	15,465	44,157	6,617	41,970
Non-controlling interests	600	845	46	547
	16,065	45,002	6,663	42,517
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		1.25		1.17
From discontinued operations		(0.02)		-
From profit for the period		<u>1.22</u>		<u>1.17</u>

FBN Holdings Plc.

INCOME STATEMENT

	COMPANY			
	Quarter ended 30 September 2017 N 'million	Year to date 30 September 2017 N 'million	Quarter ended 30 September 2016 N 'million	Year to date 30 September 2016 N 'million
Continuing operations				
Interest income	536	1,681	217	541
Interest expense	-	-	-	-
Net interest income	536	1,681	217	541
Impairment charge for credit losses	-	-	-	-
Net interest income after impairment charge for credit losses	536	1,681	217	541
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	(0)	8	16	110
Net gains/(losses) on investment securities	8	15	(14)	(12)
Dividend income	-	-	-	1,259
Other operating income	8	29	10	26
Insurance claims	-	-	-	-
Personnel expenses	(126)	(387)	(147)	(390)
Depreciation, amortisation and impairment	(99)	(297)	(95)	(281)
Operating expenses	(689)	(1,829)	(819)	(1,713)
Loss before tax	(363)	(780)	(832)	(460)
Income tax expense	(13)	(40)	-	(20)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(377)	(820)	(832)	(480)
LOSS FOR THE PERIOD	(377)	(820)	(832)	(480)
Loss attributable to:				
Owners of the parent	(377)	(820)	(832)	(480)
Non-controlling interests	-	-	-	-
	(377)	(820)	(832)	(480)
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		(0.02)		(0.01)
From discontinued operations		-		-
From loss for the period		<u>(0.02)</u>		<u>(0.01)</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 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, employing about 8,648 staff, has 883 business locations (617 local branches, 130 agencies for FirstBank (Nigeria) and 136 (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 DRC³⁰, bank subsidiaries in West Africa³¹, 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 FBN Merchant Bank group and FBN Capital group. Both FBN Merchant Bank Limited and FBN Capital Limited are wholly owned by the holding company. The FBN Merchant Bank group comprises FBN Merchant Bank and its subsidiaries FBN Securities Limited and FBN Capital Asset Management Limited. The FBN Capital group comprises FBN Capital Limited and its subsidiaries FBN Trustees Limited, FBN Funds Limited and FBN Capital Partners Limited. The group creates value by providing advisory, finance, trading, investing and securing services to large institutions (corporations and government agencies) and individuals.

Insurance comprises FBN Insurance Limited and 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.

³⁰ Previously, Banque Internationale de Credit (BIC)

³¹ 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.