FBNHoldings

NSE: FBNH
25 April 2018

Bloomberg: FBNH NL
Reuters: FBNH.LG

PRESS RELEASE

Lagos, Nigeria – 25 April 2018

FBN HOLDINGS PLC. REPORTS 147.6% RISE IN PROFIT BEFORE TAX TO ₦56.8 BILLION FOR THE FULL YEAR ENDED 31 DECEMBER 2017

FBN Holdings Plc. ("FBNH" or "FBNHoldings" or the "Group") today announces its audited results for the full year ended 31 December 2017.

Income Statement

- Gross earnings of ₦595.4 billion, up 2.3% year-on-year (y-o-y) (Dec 2016: ₦581.8 billion)
- Net-interest income of ₦331.5 billion, up 8.9% y-o-y (Dec 2016: ₦304.4 billion)
- Non-interest income of ₦113.7 billion, down 31.3% y-o-y (Dec 2016: ₦165.5 billion)[1]
- Operating income of ₦444.8 billion, down 5.3% y-o-y (Dec 2016: ₦469.9 billion)
- Impairment charge for credit losses of ₦150.4 billion, down by 33.5% y-o-y (Dec 2016: ₦226.0 billion)
- Operating expenses of ₦238.0 billion, up 7.7% y-o-y (Dec 2016: ₦220.9 billion)
- Profit before tax of ₦56.8 billion, up 147.6% y-o-y (Dec 2016: ₦22.9 billion)
- Profit after tax ₦47.8 billion, up 178.8% y-o-y (Dec 2016: ₦17.1 billion)
- Proposed dividend per share of ₦0.25

Statement of Financial Position

- Total assets of ₦5.2 trillion, up 10.5% y-o-y (Dec 2016: ₦4.7 trillion)
- Customer deposits of ₦3.14 trillion, up 1.3% y-o-y (Dec 2016: ₦3.10 trillion)
- Customer loans and advances (net) of ₦2.0 trillion, down 4.0% y-o-y (Dec 2016: ₦2.1 trillion)

Key Ratios

- Post-tax return on average equity of 7.6% (Dec 2016: 3.0%)
- Post-tax return on average assets of 1.0% (Dec 2016: 0.4%)
- Net-interest margin of 8.4% (Dec 2016: 8.8%)
- Cost to income ratio of 53.5% (Dec 2016: 47.0%)
- NPL ratio of 22.8% (Dec 2016: 24.4%)
- 51.1% liquidity ratio (FirstBank (Nigeria) (Dec 2016: 52.7%)
- 17.7% Basel 2 CAR[2] (FirstBank (Nigeria) (Dec 2016: 17.8%)
- 15.7% Basel 2 CAR (FBNQuest Merchant Bank) (Dec 2016: 22.6%)

[1] FX revaluation gain in FY 2017: ₦13.5 billion (FY 2016: ₦80.2 billion)
[2] CAR – Capital Adequacy Ratio

Notable Developments

- Leadership changes across the Group:
  - Merchant Banking and Asset Management Group:
    - Oyewale Ariyibi, the Group Chief Financial Officer of FBNHoldings, appointed Chairman, FBNQuest Capital
    - Tijjani Borodo appointed Chairman of FBNQuest Trustees
- 1 trillion transactions processed on the *894# USSD banking channel making it the fastest growing USSD[3] product in the industry
- With over 2 million subscribers, FirstBank's mobile platform 'FirstMobile' achieved the fastest growing mobile banking penetration across Africa, becoming the highest transacting bank on the Interswitch payment platform
- FirstBank ATMs now account for 37% of bills payments on ATM platforms in Nigeria

Selected Financial Summary

Income statement

(Nbillion)	FY 2017	FY 2016	Δ%
Gross earnings	595.4	581.8	2.3
Interest income	469.6	405.3	15.9
Net-interest income	331.5	304.4	8.9
Non-interest income[7]	113.7	165.5	-31.3
Operating Income[9]	444.8	469.9	-5.3
Impairment charge for credit losses	150.4	226.0	-33.5
Operating expenses	238.0	220.9	7.7
Profit before tax	56.8	22.9	147.6
Profit after tax	47.8	17.1	178.8
Basic EPS (kobo)[12]	1.21	0.39	206.4

Statement of Financial Position

(₦billion)	FY 2017	FY 2016	Δ%
Total assets	5,236.5	4,736.8	10.5
Customer loans & advances (Net)	2,001.2	2,083.9	-4.0
Customer deposits	3,143.3	3,104.2	1.3
Non-performing loans	520.0	584.2	-11.0
Shareholders' funds	678.2	582.6	16.4

Key Ratios %	FY 2017	FY 2016
Post-tax return on average equity[4]	7.6	3.0
Post-tax return on average assets[5]	1.0	0.4
Earnings yield[6]	11.9	11.7
Net-interest margin[8]	8.4	8.8
Cost of funds[10]	3.4	2.8
Cost to income[11]	53.5	47.0
Gross loans to deposits	72.5	77.1
Liquidity (FirstBank(Nigeria))	51.1	52.7
Capital adequacy (FirstBank (Nigeria))	17.7	17.8
Capital adequacy (FBNQuest Merchant Bank)	15.7	22.6
NPL/Gross Loans	22.8	24.4
NPL coverage[13]	61.9	57.3
PPOP[14]/impairment charge (times)	1.4	1.1
Cost of risk[15]	6.4	10.4
Leverage (times)[16]	7.7	8.1
BVPS[17]	18.9	16.2

---

[3] Unstructured Supplementary Service Data
[4] Post-tax return on average equity computed as profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders
[5] Post-tax return on average assets computed as profit after tax divided by the average opening and closing balances of its total assets
[6] Earnings yield computed as 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 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 interest expense divided by average interest-bearing liabilities
[11] Cost to income ratio computed as operating expenses divided by operating income
[12] Basic EPS computed as profit after tax divided by weighted average number of shares in issue
[13] NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs
[14] PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge
[15] Cost of risk computed as credit impairment charges divided by the average opening and closing gross loans balances
[16] Total assets divided by shareholders' equity
[17] BVPS – Book Value Per Share computed as total equity divided by number of outstanding shares

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

"As evident by the continually improving set of results, the initiatives we have put in place are producing encouraging results ahead of our projections. It is noteworthy to highlight that this progress has not been detrimental to our commitment to cost containment, illustrated by the 7.7% y-o-y increase in opex which is significantly below the headline inflation rate of 15.4%. This result was also made possible by the successful implementation of our digitisation initiatives, that have allowed us to serve our customers in a more efficient and effective way. It is re-assuring that our dominance in the electronic platform has positioned the Group for a prosperous future and our holding company model is yielding further synergies and increasing cross-selling amongst all the operating companies in the Group.

However, we recognise the need for accelerated resolution of our legacy assets to demonstrate sustainable improvement in asset quality as the progress we made during the year was moderated by developments in Q4 which kept our performance below guidance. This was largely as a result of the impairment of 9mobile, which was across the industry, as well as the foreign currency translation impact on our existing portfolio. These are one-off events and we assure that appreciable progress would be made on NPL in 2018 in line with our 3 years strategic plan.

In summary, we are delighted to say that we have made good progress towards achieving our 2019 strategic goals and are confident that 2018 will be another year full of successes for the Group."

Group Financial Review

Income Statement

Gross earnings grew by 2.3% y-o-y to ₦595.4 billion (Dec 2016: ₦581.8 billion), driven by a 15.9% y-o-y growth in interest income on the back of enhanced yields and volume growth in investment securities. This was partly offset by a 31.5% y-o-y decline in non-interest income. Interest income and non-interest income contributed 78.9% and 19.0%[18] respectively to gross earnings.

Net-interest income increased by 8.9% y-o-y to ₦331.5 billion (Dec 2016: ₦304.4 billion), driven by a 15.9% y-o-y increase in interest income to ₦469.6 billion (Dec 2016: ₦405.3 billion), on the back of the higher yield environment. Income from investment securities contribution to total interest income increased from 28.5% to 36.9%. On an absolute base, income from investment securities was up by 50.2% y-o-y to ₦173.3 billion (Dec 2016: ₦115.4 billion). Higher interest income was further enhanced by increased volume in investment securities as we continue to optimise pricing of the loan book. Interest income from loans to customer grew by 6.3% y-o-y to ₦288.6 billion (Dec 2016: ₦271.6 billion), now representing 61.5% of net-interest income (Dec 2016: 67.0%).

The growth in interest income was however partly offset by a 36.9% y-o-y growth in interest expense to ₦138.1 billion (Dec 2016: ₦100.8 billion) resulting from the high rate environment and the growth in deposits (banks and customers) as well as borrowings.

[18] Net of fees and commission expense

Cost of funds increased to 3.4% (Dec 2016: 2.8%), primarily on the back of the high rate environment and from the impact of the MPR-indexed pricing on savings deposits. As such, while the cost of borrowing has remained stable at 6.6%, the cost of deposits for banks and customers have increased to 2.3% (Dec 2016: 1.2%) and 3.2% (Dec 2016: 2.6%) respectively.

Notwithstanding, we have continued to optimise the balance sheet to ensure our margins are protected despite the increase in interest rates and the constrained lending environment. In view of this, the blended yield on interest earning assets improved to 11.9% (Dec 2016: 11.7%) but overshadowed by the cost of funds resulting in a marginal decline in net-interest margin to 8.4% (Dec 2016: 8.8%).

Non-interest income (NII) declined by 31.3% y-o-y to ₦113.7 billion from ₦165.5 billion in the prior period, as foreign exchange income declined 76.1% y-o-y to ₦21.1 billion (Dec 2016: ₦89.1 billion), representing 18.5% of non-interest income against 53.8% in the prior period. Excluding the FX revaluation gains of the previous year, NII inched up by 17.6%, signifying the strength of the sustainable non-interest revenue base.

Fees and commission (F&C) income, representing 65.5% (Dec 2016: 43.1%) of total non-interest income, increased by 4.3% y-o-y to ₦74.5 billion (Dec 2016: ₦71.4 billion). The growth in F&C was driven by the 14.4% y-o-y growth in electronic banking fees to ₦25.0 billion (Dec 2016: ₦21.8 billion) and to a lesser extent by the 24.8% y-o-y growth in funds transfer and intermediation fees to ₦6.7 billion (Dec 2016: ₦5.4 billion), and by the 56.3% y-o-y growth in credit related fees to ₦7.4 billion (Dec 2016: ₦4.7 billion). Other drivers include: 26.1% y-o-y growth in custodian fees to ₦6.0 billion (Dec 2016: ₦4.7 billion); 201.7% y-o-y improvement in letter of credit commissions and fees to ₦6.0 billion (Dec 2016: ₦2.0 billion); 80.8% y-o-y growth in fund management fees to ₦1.95 billion (Dec 2016: ₦1.1 billion); as well as other fees and commission to ₦2.6 billion (Dec 2016: ₦0.5). The improvement in F&C was partly offset by a 57.2% y-o-y decline in account maintenance fees following revision in charges and eligible transactions.

Electronic banking fees' contribution to the total F&C income increased to 33.6% from 30.6% in the prior year. This demonstrates the strong revenue generation capacity of the group through alternative channels as we remain focused on enhancing our digital offerings and further deepening initiatives to support our revenue generation capabilities. In the course of the year and recently, we celebrated a number of unique leadership recognitions, amongst which was FirstBank being the first financial institution in the Nigerian and West Africa sub-region to issue 10 million cards to customers. In addition, the Bank won the awards for the "fastest mobile penetration bank across Africa", "highest card transacting bank" and "highest issuer of Verve cards". Furthermore, 1 trillion transactions were processed on the #894 USSD banking channel making it the fastest growing USSD product in the industry.

To further strengthen its revenue base and following a successful pilot, FirstBank is systematically rolling out the agent-banking model this year, leveraging on its unique wide distribution. Additionally, the Bank is enhancing its trade finance and cash management capabilities to support transaction banking offerings. Similarly, another critical focus is to enhance the contribution from the subsidiaries to the group's profit from increased performance, synergy and collaboration. A testament to this initiative is the 21.4% y-o-y growth in net insurance premium to ₦10.2 billion (Dec 2016: ₦8.4 billion) representing 9.0% contribution to total non-interest revenue from 5.1% in the prior year.

Operating expenses increased by 7.7% y-o-y to ₦238.0 billion (Dec 2016: ₦220.9) but remain below the headline inflation rate for the fiscal year end 2017 (15.4%). We are making good progress on our efficiency transformation drive with the implementation of the ERP solution at the Commercial bank. This is providing better visibility on spend and it has allowed us to standardise operations, improve controls and evaluate manning levels to drive improved staff productivity. We continue to focus on driving further efficiencies across our businesses and are in line with delivering on our strategic target.

Cost-to-income ratio closed at 53.5% (Dec 2016: 47.0%[19]) within our guidance of 55%. This has been achieved from increased process automation, sustained discipline in budget and procurement as well as in manning level and cost optimisation. We remain optimistic on our ability to realise further efficiencies as we extract the benefits of the ongoing ERP/ERM project implementation, Group Shared Services and other technology-enabled initiatives.

Net impairment charge on credit losses declined by 33.5% to ₦150.4 billion (Dec 2016: ₦226.0 billion) demonstrating our steady progress towards building a strong asset quality portfolio. We have performed in line with our guidance except for additional provisions coming largely from 9mobile as well as the FCY translation impact from legacy NPLs. Consequently, **cost of risk** decreased to 6.4% (Dec 2016: 10.4%). We expect further improvements in asset quality in the course of 2018 in line with our strategic target of less than 2% cost of risk in 2019.

Profit before tax increased by 147.6% y-o-y to ₦56.8 billion (Dec 2016: ₦22.9 billion). Income tax expense for the year was ₦9.0 billion (Dec 2016: ₦5.8 billion). **Earnings per share** increased by 206.4% y-o-y to ₦1.21 (Dec 2016: ₦0.39).

Statement of Financial Position

Total assets increased by 10.5% y-o-y to ₦5.2 trillion (Dec 2016: ₦4.7 trillion); this was largely driven by a 16.9% y-o-y increase in interest earning investment securities to ₦1.4 trillion (Dec 2016: ₦1.2 trillion). Despite the weak lending environment, earning assets have been further optimised with total interest earning assets growing by 11.1% y-o-y to ₦4.2 trillion from ₦3.74 trillion in December 2016, representing 79.4% of total assets (Dec 2016: 79.0%).

Total customer deposits increased by 1.3% y-o-y to ₦3.14 trillion (Dec 2016: ₦3.10 trillion) but with focus on growing inexpensive deposits at the right mix and with an appropriate margin consideration from revenue generating opportunities. Benefiting from our strong franchise, we are increasing the number of customers across our businesses with active customers' accounts at FirstBank reaching 13.1 million from 12.4 million in the prior year. Reflecting the strength and confidence in the franchise and a well-diversified funding base, savings deposits continued to grow, increasing by 6.5% y-o-y to over ₦1 trillion – the highest savings deposits balance in the Nigerian financial industry. Similarly, the funding base remains very strong and stable with low cost deposits constituting 82.9% of total customers' deposits at FirstBank Nigeria and 72.0% at the Group level. Likewise, retail deposits remained very healthy, growing by 8.1% y-o-y to ₦1.9 trillion (Dec 2016: ₦1.7 trillion). We expect further improvement in deposits as our transaction banking solutions come on stream in the current year.

[19] Adjusting for FX gains, cost to income ratio would be 55.1% (Dec 2016: 56.7%)

Total loans & advances to customers (net) declined by 4.0% y-t-d to ₦2.0 trillion (Dec 2016: ₦2.1 trillion) due to the weak lending environment from the persisting macro-economic challenges which constrained business and consumer activities. The decline in loan growth was further exacerbated by loan repayments during the period. Non-performing loan ratio declined to 22.8% from 24.4% in 2016 as we sustained our remediation and recovery exercises towards continuous improvement in asset quality. But for the 9Mobile impairment and FCY impact on legacy NPLs, the group was within its NPL guidance of below 20%.

We have continued to strengthen our credit culture and governance, moderated our risk appetite, redefined our target market and consequence management to ensure a robust risk management structure. As we continue to sustain our remediation initiatives, we expect a gradual reduction in NPLs with a target of a single digit NPL in 2019, in line with our strategic plan. We expect some loan growth in the current year with manufacturing, agriculture, trade and retail being the sectors of focus.

Shareholders' funds closed at ₦678.2 billion, up 16.4% y-o-y (Dec 2016: ₦582.6 billion), benefitting largely from an increase in: retained earnings (up 5.7% y-o-y to ₦170.8 billion vs Dec 2016: ₦161.6 billion); statutory reserve (up 10.3% y-o-y to ₦84.1 billion vs Dec 2016: ₦ 76.2 billion); AFS (up 183.5% y-o-y to ₦78.0 billion vs Dec 2016: ₦27.5 billion); foreign currency translation reserves (up 38.4% y-o-y to ₦48.1 billion vs Dec 2016: ₦34.8 billion); as well as statutory credit reserves (up 81.1% y-o-y to ₦42.8 billion vs Dec 2016: ₦23.6 billion).

Capital adequacy ratio for FirstBank (Nigeria) remains stable at 17.7% (Dec 2016: 17.8%), 270bps above the regulatory minimum of 15%, while the Capital adequacy ratio for FBNQuest Merchant Bank closed at 15.7% (Dec 2016: 22.6%) above the 10% required by regulation for Merchant Banks.

Liquidity ratio for FirstBank (Nigeria) remains healthy at 51.1% (Dec 2016: 52.7%) above the 30% regulatory mark.

Business Groups[20 21 22]:

Commercial Banking

- Gross earnings of ₦541.5 billion, up 1.1% y-o-y (Dec 2016: ₦535.5 billion)
- Net interest income of ₦319.7 billion, up 8.6% y-o-y (Dec 2016: ₦294.3 billion)
- Non-interest income of ₦88.2 billion, down 37.2% y-o-y (Dec 2016: ₦140.4 billion)[23]
- Operating expenses of ₦209.5 billion, up 5.2% y-o-y (Dec 2016: ₦199.0 billion)
- Profit before tax of ₦57.1 billion, up 435.0% y-o-y (Dec 2016: ₦10.7 billion)
- Profit after tax of ₦51.5 billion, up 337.4% y-o-y (Dec 2016: ₦11.8 billion)
- Total assets of ₦5.0 trillion, up 11.1% y-t-d (Dec 2016: ₦4.5 trillion)
- Customers' loans and advances (net) of ₦2.03 trillion, down 2.9% y-t-d (Dec 2016: ₦2.09 trillion)
- Customers' deposits of ₦3.1 trillion, up 1.2% y-t-d (Dec 2016: ₦3.0 trillion)

The Commercial Banking business contributed 90.1% (Dec 2016: 91.6%) to gross earnings of the Group and 77.6% (Dec 2016: 36.1%) to its profit before tax.

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

"The Commercial Banking Group has delivered a good performance, despite the still challenging macro-economic environment, with gross earnings up 1.1% y-o-y; Profit before Tax was up 435% y-o-y; and Profit after Tax up by 337% y-o-y.

The financial results were as a result of the ongoing disciplined execution of our 2017 – 2019 Strategic Corporate Transformation Plan with 2017 being the first year of execution. The results achieved so far shows that we are on the right track and in 2018 and beyond we are focusing on accelerating the pace of execution of the plan with emphasis on strengthening our technology infrastructure to drive efficiencies; developing and promoting a full digital and transaction banking offerings; sustaining and accelerating the disciplined lending drive, with targeted recoveries, and an improved focus on managing operational risks; whilst continuing with the ongoing repositioning and strengthening of African subsidiaries to optimise returns.

Our aim is to return to be the market leader in the industry with the disciplined execution of these various initiatives".

Merchant Banking & Asset Management (MBAM)

The first half of 2017 was characterised by weak macro-economic conditions; recession, relative scarcity of foreign currency, a tight monetary stance, amongst others. The second half of the year was characterised by a gradual recovery.

Notwithstanding the fragile operating environment, the MBAM business group recorded a fairly strong financial performance, demonstrating the resilient and diversified nature of the business portfolio. Total revenue increased by 3.4% y-o-y to ₦39.0 billion from ₦37.8 billion in Dec 2016 while profit before tax dipped by 23.0% y-o-y to ₦10.5 billion from ₦13.7 billion in Dec 2016, essentially due to the base effect of the foreign exchange revaluation gain in 2016. Assets under management (AuM) across the group (FBNQuest Capital Asset

[20] Please refer to the 'Notes to Editors' section on page 11 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 90.1%, 6.5%, 3.1% and 0.3% (Dec 2016: 91.6%, 6.2%, 2.0% and 0.2%) respectively to the Group's gross earnings and 77.6%, 19.2%, 7.8% and -4.6% (Dec 2016: 36.1%, 59.7%, 14.9% and -10.7%) to the Group's profit before tax.
[23] FX revaluation gain in FY 2017: -₦13.5 billion (FY 2016: ₦80.2 billion)

Management and FBNQuest Trustees) increased by 16% to close at ₦245 billion. The asset management business moved up one place to close the year in the 2nd position, based on SEC registered funds (3rd position in 2016). Overall, total assets closed at ₦216.9 billion, representing an 11.2% y-o-y increase (Dec 2016: ₦195.1 billion). The businesses in the group are well capitalised with total group equity of ₦48.4bn, while the capital adequacy of the merchant bank stands at 15.7% above regulatory requirement of 10%.

Looking ahead, we expect the macroeconomic conditions to continue to strengthen and a progressive recovery of business activity. We expect an uptick in business activities in the first half of the year and a gradual slowdown as from H2 as the preparations for the 2019 election kicks in. We will continue to leverage technology to provide a superior customer experience, and leverage internal and external partnerships to broaden our products and services and accelerate growth.

The Merchant Banking and Asset Management business contributed 6.5% (Dec 2016: 6.2%) to gross earnings of the Group and 19.2% (Dec 2016: 59.7%) to profit before tax.

Insurance

The insurance business group sustained its strong performance across a number of sectors despite the challenging business environment. Driven by the retail segment, the life insurance business continue to validate the retail market strategy as increasing access to the large annuity market further support the strong performance.

In partnership with Sanlam, the group is leveraging on the technical capabilities and exchange of ideas/practices to significantly enhance technical and risk management expertise. Similarly, we are institutionalising operational efficiency across key functions. Some of the key strategic initiatives also in focus include maintaining a disciplined cost optimisation strategy, continuous transition towards a digital focused and technology driven business to achieve an end-to-end process automation and improved service delivery.

While the group demonstrated sustained improvement in performance, there was an increase in claims costs during the year partly offsetting reported earnings. These were largely driven by Motor and Fire product classes. Significant reinsurance recoveries have been made in line with our risk management policy.

Gross Premium Written increased by 90.8% to close at ₦22.8 billion (Dec 2016: ₦11.9 billion). Total revenue increased by 50.0% y-o-y to ₦18.8 billion (Dec 2016: ₦12.5 billion), while profit before tax rose to ₦4.7 billion, up 38.0% y-o-y (Dec 2016: ₦3.4 billion). The business group's total assets increased by 58.3% y-o-y to ₦51.1 billion (Dec 2016: ₦32.3 billion).

The growth sectors for the insurance group remain the retail, corporate and annuity businesses. We are committed to growing the business through efficient risk management practices, strong technical capabilities and reinsurance facility optimisation, whilst focusing on excellent service delivery.

The insurance business contributed 3.1% (Dec 2016: 2.1%) to the Group's gross earnings and 7.8% (Dec 2016: 14.9%) 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 2017 and unaudited results for the three months 31 March 2018 on **Monday 30 April 2018 at 2:00pm UK / 2:00pm Lagos / 9:00am New York / 3:00pm Johannesburg & Cape Town.**

The teleconference call facility can be accessed by dialing:

+234 1 277 2430 (Nigeria); **0800 358 6377** or **+44 330 336 9105** (United Kingdom); **+1 800 263 0877** or **+1 323 794 2094** (United States); and **0800 998 654** or **+27 11 844 6054** (South Africa).

and then entering the following confirmation code: **2651184#**

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: **2651184#**

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 http://ir.fbnholdings.com/

- FY 2017 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	
	31 December 2017 N 'million	31 December 2016 N 'million	31 December 2017 N 'million	31 December 2016 N 'million
ASSETS				
Cash and balances with central banks	641,881	690,165	-	-
Loans and advances to banks	742,929	444,871	7,585	645
Loans and advances to customers	2,001,223	2,083,894	108	65
Financial assets at fair value through profit or loss	83,713	46,711	-	-
Investment securities				
-Available-for-sale investments	1,122,757	921,753	9,842	12,350
-Held to maturity investments	108,283	108,479	-	-
-Loans and receivables	17,568	20,356	-	-
Asset pledged as collateral	208,925	197,420	-	-
Other assets	132,731	47,786	9,011	10,599
Investment properties	1,993	3,003	-	-
Investments in associates accounted for using the equity method	1,357	1,114	-	-
Investment in subsidiaries	-	-	242,395	242,395
Property, plant and equipment	88,263	88,315	680	849
Intangible assets	16,211	15,328	-	-
Deferred tax assets	18,554	17,278	-	-
	5,186,388	4,686,473	269,621	266,903
Assets held for sale	50,149	50,332	-	-
Total assets	**5,236,537**	**4,736,805**	**269,621**	**266,903**
LIABILITIES				
Deposits from banks	665,366	416,078	-	-
Deposits from customers	3,143,338	3,104,221	-	-
Financial liabilities at fair value through profit or loss	9,404	37,137	-	-
Current income tax liability	10,194	8,897	104	84
Other liabilities	261,725	235,388	7,553	7,114
Liability on investment contracts	13,399	9,440	-	-
Liability on insurance contracts	21,734	10,287	-	-
Borrowings	420,919	316,792	-	-
Retirement benefit obligations	2,203	2,662	-	-
Deferred tax liabilities	606	813	-	-
	4,548,888	4,141,715	7,657	7,198
Liabilities held for sale	9,457	12,515	-	-
Total liabilities	**4,558,345**	**4,154,230**	**7,657**	**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	170,775	161,631	10,104	8,008
Other reserves				
Statutory reserve	84,103	76,226	-	-
Capital reserve	1,223	1,223	10	10
Small scale investment reserve	6,076	6,076	-	-
Available for sale fair value reserve	77,981	27,507	510	347
Contingency reserve	1,257	727	-	-
Statutory credit reserve	42,816	23,640	-	-
Foreign currency translation reserve	48,115	34,753	-	-
	683,686	583,123	261,964	259,705
Non-controlling interest	(5,494)	(548)	-	-
Total equity	**678,192**	**582,575**	**261,964**	**259,705**
Total equity and liabilities	**5,236,537**	**4,736,805**	**269,621**	**266,903**

FBN Holdings Plc.

INCOME STATEMENT

	GROUP		COMPANY	
	31 December 2017 N 'million	31 December 2016 N 'million	31 December 2017 N 'million	31 December 2016 N 'million
Continuing operations				
Interest income	469,586	405,281	2,215	885
Interest expense	(138,064)	(100,839)	-	-
Net interest income	**331,522**	**304,442**	**2,215**	**885**
Impairment charge for credit losses	(150,424)	(226,037)	-	-
Net interest income after impairment charge for credit losses	**181,098**	**78,405**	**2,215**	**885**
Insurance premium revenue	12,973	9,606	-	-
Insurance premium revenue ceded to reinsurers	(2,739)	(1,175)	-	-
Net insurance premium revenue	**10,234**	**8,431**	**-**	**-**
Fee and commission income	74,453	71,360	-	-
Fee and commission expense	(12,117)	(11,073)	-	-
Net gains on foreign exchange	21,062	89,077	8	105
Net gains/(losses) on investment securities	2,610	3,930	16	(12)
Net gains/(losses) from financial instruments at fair value through profit or loss	11,117	(6)	-	-
Loss from disposal of subsidiary		(8)	-	-
Gain from disposal of investment in associates	-	-	-	144
Dividend income	2,053	897	11,437	11,559
Other operating income	3,901	2,868	38	34
Insurance claims	(4,041)	(2,190)	-	-
Personnel expenses	(85,678)	(83,805)	(982)	(702)
Depreciation of property, plant and equipment	(11,600)	(11,584)	(398)	(381)
Amortisation of intangible assets	(4,201)	(3,324)	-	-
Impairment loss on investment	-	-	-	(1,700)
Operating expenses	(132,496)	(120,030)	(2,952)	(2,321)
Operating profit	**56,395**	**22,948**	**9,382**	**7,611**
Share of profit of associates	430	-	-	-
Profit before tax	**56,825**	**22,948**	**9,382**	**7,611**
Income tax expense	(9,040)	(5,807)	(107)	(104)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**47,785**	**17,141**	**9,275**	**7,507**
Discontinued operations				
Loss for the year from discontinued operations	(7,774)	(4,898)	-	-
PROFIT FOR THE YEAR	**40,011**	**12,243**	**9,275**	**7,507**
Profit/(loss) attributable to:				
Owners of the parent	43,631	14,122	9,275	7,507
Non-controlling interests	(3,620)	(1,879)	-	-
	40,011	**12,243**	**9,275**	**7,507**
Earnings per share for profit attributable to owners of the parent				
Basic/diluted earnings/ loss per share (in Naira):				
From continuing operations	1.43	0.53	0.26	0.21
From discontinued operations	(0.22)	(0.14)	-	-
From profit for the year	1.21	0.39	0.26	0.21

- 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 8,595 staff, has 895 business locations (615 local branches, 143 QSPs and agencies for FirstBank (Nigeria) and 137 (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[24], bank subsidiaries in West Africa[25], 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 and FBNQuest Capital group. Both FBNQuest Merchant Bank Limited and FBNQuest Capital Limited are wholly owned by the holding company. The FBNQuest Merchant Bank group comprises FBNQuest Merchant Bank and its subsidiaries FBNQuest Securities Limited and FBNQuest Capital Asset Management Limited. The FBNQuest Capital group comprises FBNQuest Capital Limited and its subsidiaries FBNQuest Trustees Limited, FBNQuest Funds Limited and FBNQuest 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 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.

[24] Previously, Banque Internationale de Credit (BIC)
[25] 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.