

PRESS RELEASE

Lagos, Nigeria – 27 July 2017

FBN HOLDINGS PLC. REPORTS GROSS EARNINGS OF ₦288.8 BILLION FOR THE SIX MONTHS ENDED 30 JUNE 2017

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

Income Statement

- Gross earnings of ₦288.8 billion, up 7.8% year-on-year (y-o-y) (Jun 2016: ₦267.9 billion)
- Net-interest income of ₦164.1 billion, up 30.2% y-o-y (Jun 2016: ₦126.1 billion)
- Non-interest income of ₦50.5 billion, down 46.3% y-o-y (Jun 2016: ₦94.1 billion)
- Operating income of ₦214.4 billion, down 2.6% y-o-y (Jun 2016: ₦220.1 billion)
- Impairment charge for credit losses of ₦62.4 billion, down by 10.7% y-o-y (Jun 2016: ₦69.9 billion)
- Operating expenses of ₦116.6 billion, up 11.8% y-o-y (Jun 2016: ₦104.3 billion)
- Profit before tax of ₦35.6 billion, down 22.4% y-o-y (Jun 2016: ₦45.9 billion)
- Profit after tax ₦29.5 billion, down 17.8% y-o-y (Jun 2016: ₦35.9 billion)

Statement of Financial Position

- Total assets of ₦4.9 trillion, up 3.0% year-to-date (y-t-d) (Dec 2016: ₦4.7 trillion)
- Customer deposits of ₦3.0 trillion, down 3.5% y-t-d (Dec 2016: ₦3.1 trillion)
- Customer loans and advances (net) of ₦2.0 trillion, down 4.1% y-t-d (Dec 2016: ₦2.1 trillion)

Key Ratio

- Post-tax return on average equity of 9.9% (Jun 2016: 12.0%)¹
- Post-tax return on average assets of 1.2% (Jun 2016: 1.6%)¹
- Net-interest margin of 8.5% (Jun 2016: 7.2%)¹
- Cost to income ratio of 54.4% (Jun 2016: 47.4%)²
- NPL ratio³ of 22.0% (Jun 2016: 22.8%, Dec 2016: 24.4%)
- 50.4% liquidity ratio (FirstBank (Nigeria) (Jun 2016: 55.9%, Dec 2016: 52.7%)
- 17.6% Basel 2 CAR⁴ (FirstBank (Nigeria) (Jun 2016: 15.4%, Dec 2016: 17.8%)
- 26.7% Basel 2 CAR (FBN Merchant Bank) (Jun 2016: 27.9%, Dec 2016: 22.6%)

Notable Developments

- Leadership appointments across the Group:
 - FirstBank and subsidiaries:
 - ✓ Abdullahi Ibrahim appointed Executive Director, Retail Banking (North), effective 27 April, 2017
 - FBNQuest:
 - ✓ Ike Onyia appointed Managing Director/Chief Executive Officer of FBN Capital Asset Management Ltd, effective 22 March, 2017
 - FBN Insurance Brokers Limited:
 - ✓ Ibadapo Olumide appointed Managing Director/ Chief Executive Officer, effective 09 May, 2017

¹ Post-tax return on average equity and assets as well as net interest margins are annualised ratios

² Stripping FX gains, cost to income would be 59.7%

³ 26.0% in March 2017

⁴ CAR – Capital Adequacy Ratio

Selected Financial Summary

Income statement

(Nbillion)	H1 2017	H1 2016	Δ%
Gross earnings	288.8	267.9	7.8
Interest income	232.4	169.2	37.3
Net-interest income	164.1	126.1	30.2
Non-interest income ⁸	50.5	94.1	-46.3
Operating Income ¹⁰	214.4	220.1	-2.6
Impairment charge for credit losses	62.4	69.9	-10.7
Operating expenses	116.6	104.3	11.8
Profit before tax	35.6	45.9	-22.4
Profit after tax	29.5	35.9	-17.8
Basic EPS (kobo) ¹⁴	1.64	1.97	-16.6

Statement of Financial Position

(Nbillion)	H1 2017	FY 2016	Δ%
Total assets	4,881.1	4,736.8	3.0
Customer loans & advances (Net)	1,998.5	2,083.9	-4.1
Customer deposits	2,996.7	3,104.2	-3.5
Non-performing loans	491.1	584.2	-15.9
Shareholders' funds	609.9	582.6	4.7

Key Ratios %	H1 2017	H1 2016
Post-tax return on average equity ⁵	9.9	12.0
Post-tax return on average assets ⁶	1.2	1.6
Earnings yield ⁷	12.1	9.7
Net-interest margin ⁹	8.5	7.2
Cost of funds ¹¹	3.5	2.4
Cost to income ¹²	54.4	47.4
Gross loans to deposits	74.5	75.2
Liquidity (FirstBank(Nigeria))	50.4	55.9
Capital adequacy (FirstBank (Nigeria)) ¹³	17.6	15.4
Capital adequacy (FBN Merchant Bank) ¹¹	26.7	27.9
NPL/Gross Loans	22.0	22.8
NPL coverage ¹⁵	52.7	41.5
PPOP ¹⁶ /impairment charge (times)	1.6	1.7
Cost of risk ¹⁷	5.4	6.5
Leverage (times) ¹⁸	8.0	7.9
BVPS ¹⁹	17.0	17.1

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

"FBNHoldings has again demonstrated its strong revenue generating capacity in the current economic environment reporting gross earnings of ₦288.8 billion - up 7.8% y-o-y. In line with our strategic focus on improving asset quality; cost optimisation; and, enhancing revenue generation, we are beginning to see improvement across a number of metrics associated with these initiatives.

Our focus on enhancing the quality of our loan book is reflected in a decline in non-performing loans, a reduction in our impairment charge following improvement in the asset quality outlook, and we will continue to prioritise this area through the rest of this year. Similarly, consistent improvement in the efficiency ratio is testament to the efficacy of our cost optimisation initiatives, though these results have been partly offset by the currency devaluation and high inflationary environment.

⁵ 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

⁶ Post-tax return on average assets computed as annualised profit after tax divided by the average opening and closing balances of its total assets

⁷ Earnings yield computed as annualised interest income divided by the average opening and closing balances of interest earning assets

⁸ Non-interest income is net of fee and commission expenses

⁹ Net-interest margin computed as annualised net interest income divided by the average opening and closing balances of interest earning assets

¹⁰ Operating income defined as Net interest income plus non-interest income

¹¹ Cost of funds computed as annualised interest expense divided by average interest bearing liabilities

¹² Cost to income ratio computed as operating expenses divided by operating income

¹³ Excluding H1 2017 profits

¹⁴ Basic EPS computed as annualised profit after tax divided by weighted average number of shares in issue

¹⁵ NPL coverage computed as loan loss provisions plus statutory credit reserve divided by gross NPLs

¹⁶ PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

¹⁷ Cost of risk computed as annualised credit impairment charges divided by the average opening and closing gross loans balances

¹⁸ Total assets divided by shareholders' equity

¹⁹ BVPS - Book Value Per Share computed as total equity divided by number of outstanding shares

Overall, we have seen strong growth trajectory in our Merchant Banking & Asset Management and the Insurance Group. These businesses complement our Commercial Banking franchise and represent new frontiers for our Group, firmly supporting our aspiration of becoming a leading financial services institution in Middle Africa. We remain committed to maximising returns to our shareholders as well as creating sustainable value.”

Group Financial Review

Income Statement

Gross earnings grew by 7.8% y-o-y to ₦288.8 billion (Jun 2016: ₦267.9 billion), driven essentially by a 37.3% y-o-y growth in interest income which was partly offset by a 46.3% decline in non-interest income.

Net-interest income improved by 30.2% y-o-y to ₦164.1 billion (Jun 2016: ₦126.1 billion). This was driven by enhanced interest income opportunities from treasury activities along with improved yields on the loan book. Interest expense however increased to ₦68.3 billion (Jun 2016: ₦43.2 billion).

Cost of funds increased to 3.5% (Jun 2016: 2.4%) as the new pricing structure reflected the high interest rate environment. Despite this, we have been successful in optimising our balance sheet and in achieving superior yields on each asset class. This resulted in a blended asset yield of 12.1% from 9.7% in the prior period. As a result, **net-interest margin** increased to 8.5% from 7.2% in the prior period.

Non-interest income (NII) decreased by 46.3% y-o-y to ₦50.5 billion. Foreign exchange income (including FX revaluation gains) in the period decreased to ₦5.0 billion (Jun 2016: ₦52.9 billion), representing 9.9% of non-interest income (Jun 2016: 56.3%). Excluding FX revaluation gains, NII would have been flat at 0.4% showing that the fundamentals of our business continue to remain strong, even in the current business environment.

Fees and commission (F&C) income, representing 72.8% (June 2016: 36.9%) of total non-interest income, grew by 5.9% to ₦36.8 billion (Jun 2016: ₦34.7 billion). The growth in F&C income was driven predominantly by: a 2.4% y-o-y increase in electronic banking fees to ₦10.6 billion (Jun 2016: ₦10.4 billion); a 35.5% y-o-y growth in other fees and commission to ₦10.5 billion (Jun 2016: ₦7.7 billion); and, to a lesser extent, an increase in credit related fees, funds transfer and intermediation fees, and letter of credit commission and fees respectively to ₦2.9 billion (+64.8% y-o-y), ₦2.2 billion (+20.5% y-o-y) and ₦2.0 billion (+158.7% y-o-y). Electronic banking fees sustained its high contribution to F&C at 28.8% (Jun 2016: 29.8%) as we expect further growth on the back of improving foreign exchange liquidity and services through alternative channels.

Non-interest income was further supported by the 56.9% y-o-y growth in net insurance premium revenue to ₦5.5 billion (Jun 2016: ₦3.5 billion) as we focus on further extracting the opportunities through enhanced value creation and collaboration within our businesses and improve revenue generation.

Operating expenses increased by 11.8% y-o-y to ₦116.6 billion (Jun 2016: ₦104.3 billion), however this remains below inflation rate of 16.1% as we improved our budgeting process and discipline in spending.

Cost-to-income ratio closed at 54.4% (Jun 2016: 47.4%²⁰). Though within our guidance, the higher ratio in the current period reflects a normalised performance from the one-off foreign exchange revaluation gains of the previous period. We remain optimistic on further efficiencies in our business following the implementation of a number of initiatives within the Group.

Net impairment charge on credit losses declined by 10.7% to ₦62.4 billion (Jun 2016: ₦69.9 billion) as our asset quality improves and we continue to make progress in our remediation, recoveries and other portfolio management initiatives. **Cost of risk** decreased y-o-y to 5.4% (Jun 2016: 6.5%), while NPL ratio closed at 22.0% (Jun 2016: 22.8%, Dec 2016: 24.4% and March 2017: 26%).

During the quarter, one of the top NPLs, previously provisioned, was written off (not charged –off) with significant progress made on realisation of assets for full recovery, while we will expect a reclassification of another major NPL in the next quarter.

Profit before tax closed 22.4% lower y-o-y at ₦35.6 billion (Jun 2016: ₦45.9 billion). Income tax expense was ₦6.1 billion (Jun 2016: ₦10.0 billion). This resulted in **earnings per share**²¹ of ₦1.64 (Jun 2016: ₦1.97), with **post-tax return on average equity** of 9.9% (Jun 2016: 12.0%) and **post-tax return on average total assets** of 1.2% (Jun 2016: 1.6%). However, in view of our current initiatives, we are optimistic of enhanced performance in the remaining half of 2017.

Statement of Financial Position

Total assets increased by 3.0% y-t-d to ₦4.9 trillion (Dec 2016: ₦4.7 trillion); this was essentially driven by an increase in investment securities and other treasury activities. Investment securities increased by 1.3% y-t-d to ₦1.26 trillion (Dec 2016: ₦1.25 trillion) while loans to banks grew to ₦731.2 billion, a growth of 64.4% y-t-d from ₦444.9 billion at year end. Total interest earning assets grew by 5.6% y-t-d to ₦3.9 trillion from ₦3.7 trillion, representing 81.0% of total assets (Dec 2016: 79.0%).

Total customer deposits declined by 3.5% y-t-d to ₦3.0 trillion (Dec 2016: ₦3.1 trillion) as we focus on ensuring an appropriate deposit mix at an optimum price. Domiciliary deposits declined to ₦468.9 billion from ₦564.7 billion following State related remittances which have now been completed. Savings deposit representing 32.4% of total deposit grew by 1.9% to ₦971.1 billion (Dec 2016: ₦952.7 billion) reflecting the strength of our retail franchise and the ability to keep attracting a well-diversified funding base despite the difficult but improving market condition.

Total loans & advances to customers (net) declined marginally by 4.1% y-t-d to ₦2.0 trillion (Dec 2016: ₦2.1 trillion) driven by repayments, portfolio rebalancing and write-off of assets that have been fully impaired as we remain focused and deliberate in growing good quality risk assets supported by our revamped risk management framework. The sectors that contributed to the decrease in loans were essentially in oil and gas, manufacturing, public sector and general²².

²⁰ Stripping FX gains, cost to income would be 59.7%

²¹ Annualised. From continued operations

²² General sector includes personal & professional, hotel & leisure, logistics and religious bodies

We are making significant progress towards achieving our strategic targets. This is evident in the decline in the non-performing loans to 22.0% from 26.0% in the last quarter, and we expect this trend to continue over the coming quarters.

Shareholders' funds closed at ₦609.9 billion, up 4.7% y-t-d (Dec 2016: ₦582.6 billion), benefitting largely from an increase in: retained earnings (up 11.6% y-t-d to ₦180.5 billion (Dec 2016: ₦161.6 billion)); foreign currency translation reserves (up 10.5% y-t-d to ₦38.4 billion (Dec 2016: ₦34.8 billion)); AFS (up 7.0% y-t-d to ₦29.4 billion (Dec 2016: ₦27.5 billion)); as well as, SSI²³ reserve (up 41.4% y-t-d to and ₦8.6 billion (Dec 2016: ₦6.1 billion)).

Capital adequacy ratio for FirstBank (Nigeria) closed at 17.6% (Dec 2016: 17.8%) above the current regulatory minimum of 15%, while the Capital adequacy ratio for FBN Merchant Bank closed at 26.7% (Dec 2016: 22.6%) above the 10% required by regulation for Merchant Banks.

Liquidity ratio for FirstBank (Nigeria) closed at a healthy 50.4% (Dec 2016: 52.7%) above the 30% regulatory mark.

Business Groups^{24 25 26}:

Commercial Banking

- Gross earnings of ₦260.9 billion, up 6.9% y-o-y (Jun 2016: ₦244.9 billion)
- Net interest income of ₦156.0 billion, up 27.1% y-o-y (Jun 2016: ₦122.7 billion)
- Non-interest income of ₦38.6 billion, down 50.9% y-o-y (Jun 2016: ₦78.6 billion)
- Operating expenses of ₦104.4 billion, up 10.2% y-o-y (Jun 2016: ₦94.7 billion)
- Profit before tax of ₦27.8 billion, down 24.1% y-o-y (Jun 2016: ₦36.6 billion)
- Profit after tax of ₦22.5 billion, down 23.4% y-o-y (Jun 2016: ₦29.4 billion)
- Total assets of ₦4.7 trillion, up 3.1% y-t-d (Dec 2016: ₦4.5 trillion)
- Customers' loans and advances (net) of ₦2.0 trillion, down 4.1% y-t-d (Dec 2016: ₦2.09 trillion)
- Customers' deposits of ₦2.9 trillion, down 4.3% y-t-d (Dec 2016: ₦3.0 trillion)

The Commercial Banking business contributed 90.3% (Jun 2016: 91.0%) to gross earnings of the Group and 78.3% (Jun 2016: 78.5%) profit before tax.

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

"The Commercial Banking group proved its overall earning capacity with a 6.9% y-o-y increase in gross earnings to ₦260.9 billion mainly driven by our core business operations with stronger margins. At the same time, we intensified our credit resolution efforts resulting in the improvement of the asset quality position with the reduction in NPLs from 25.7% in the last quarter to 21.8% at the Commercial Banking group. We are optimistic about further improvement in asset quality and the general quality of the loan book.

²³ Small Scale Industries

²⁴ Please refer to the 'Notes to Editors' section on page 11 for the companies in each business group

²⁵ The pre-consolidation numbers of each of the business groups have been considered in discussing their performance

²⁶ Post consolidation, the Commercial Banking, Merchant Bank & Asset Management, Insurance and Other services contributed 90.1%, 6.6%, 2.8% and 0.3% (Jun 2016: 91.0%, 7.0%, 1.9% and 0.1%) respectively to the Group's gross earnings and 78.3%, 17.5%, 6.5% and -2.3% (Jun 2016: 78.5%, 21.5%, 2.2% and -2.3%) to the Group's profit before tax.

In the next half of the year, we will be driving enhanced revenue generation, efficiencies and profitability towards an overall improved performance, while remaining focused on sustaining the portfolio management efforts.”

Merchant Banking & Asset Management (MBAM) / FBNQuest

Notwithstanding the challenging operating environment, the merchant banking and asset management businesses recorded a respectable headline performance, demonstrating the resilient and diversified nature of the business portfolio. Total revenue increased marginally by 1.9% y-o-y to ₦19.0 billion from ₦18.7 billion in June 2016, while profit before tax reduced by 38.5% y-o-y to ₦6.0 billion (Jun 2016: ₦9.8 billion) primarily because of exceptional income in prior period. Revenue was driven by the Fixed Income, Corporate banking, Investment banking and Trustees businesses. Assets under Management (AuM) across the group (FBN Capital Asset Management and FBN Trustees) grew by 2% to close at ₦223 billion as total assets declined 4.4% y-t-d to close at ₦186.6 billion (Dec 2016 ₦195.1 billion).

Looking ahead and given the improving economy and business opportunities, we expect enhanced performance and contribution to the Group in the second half of 2017. The strategy remains to accelerate growth in our chosen markets, drive enhanced collaboration across the Group and continue our pursuit of excellence in service delivery by leveraging technology.

The Merchant Banking and Asset Management business contributed 6.6% (Jun 2016: 7.0%) to gross earnings of the Group and 17.5% (Jun 2016: 21.5%) to profit before tax.

Insurance

The insurance business group continues to deliver superior performance, reinforcing its leading position in the insurance industry. Gross Premium Written within the insurance business group increased by 47.2% to close at ₦11.1 billion (Jun 2016: ₦7.5 billion) with total revenue for the group increasing by 48.6% y-o-y to ₦8.1 billion (Jun 2016: ₦5.4 billion), while profit before tax rose to ₦2.4 billion, up 70.8% y-o-y from ₦1.4 billion in June 2016. The business group's total assets increased by 21.1% y-t-d to ₦39.1 billion (Dec 2016: ₦32.3 billion).

The insurance business contributed 2.8% (Jun 2016: 1.9%) to the Group's gross earnings and 6.5% (Jun 2016: 2.2%) to profit before tax.

– ENDS –

Conference call

FBNHoldings will host a question and answer teleconference call with analysts and investors on the unaudited six months ended 30 June 2017 results on **Thursday 3 August 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 9412** (United Kingdom); **+1 888 394 8218** or **+1 719 325 2202** (United States); and **0800 998 654** or **+27 11 844 6118** (South Africa).

and then entering the following confirmation code: **1786805#**

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: **1786805#**

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/>

- H1 2017 financial statements (unaudited) [Click here](#)

For further information please contact:

Tolulope Oluwole (Ag. Head, Investor Relations)

+234 1 905 2720

Tolulope.o.oluwole@fbnholdings.com

FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30 June 2017 N 'million	31 December 2016 N 'million	30 June 2017 N 'million	31 December 2016 N 'million
ASSETS				
Cash and balances with central banks	600,742	690,165	-	-
Loans and advances to banks	731,229	444,871	3,161	645
Loans and advances to customers	1,998,544	2,083,894	105	65
Financial assets at fair value through profit or loss	44,865	46,711	-	-
Investment securities				
-Available-for-sale investments	1,036,766	921,753	11,332	12,350
-Held to maturity investments	118,483	108,479	-	-
-Loans and receivables	19,212	20,356	-	-
Asset pledged as collateral	89,424	197,420	-	-
Other assets	70,254	47,786	420	10,599
Investment properties	3,003	3,003	-	-
Investments in associates accounted for using the equity method	1,308	1,114	-	-
Investment in subsidiaries	-	-	242,395	242,395
Property, plant and equipment	85,860	88,315	761	849
Intangible assets	15,494	15,328	-	-
Deferred tax assets	16,457	17,278	-	-
	4,831,641	4,686,473	258,174	266,903
Asset held for sale	49,429	50,332	-	-
Total assets	4,881,070	4,736,805	258,174	266,903
LIABILITIES				
Deposits from banks	567,934	416,078	-	-
Deposits from customers	2,996,707	3,104,221	-	-
Financial liabilities at fair value through profit or loss	9,186	37,137	-	-
Current income tax liability	8,666	8,897	24	84
Other liabilities	262,369	235,388	6,059	7,114
Liability on investment contracts	11,103	9,440	-	-
Liability on insurance contracts	14,761	10,287	-	-
Borrowings	383,817	316,792	-	-
Retirement benefit obligations	3,104	2,662	-	-
Deferred tax liabilities	1,217	813	-	-
	4,258,864	4,141,715	6,083	7,198
Liabilities held for sale	12,282	12,515	-	-
Total liabilities	4,271,146	4,154,230	6,083	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	180,459	161,631	384	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	29,439	27,507	357	347
Contingency Reserve	886	727	-	-
Statutory credit reserve	23,640	23,640	-	-
Foreign currency translation reserve	38,413	34,753	-	-
	610,229	583,123	252,091	259,705
Non-controlling interest	(305)	(548)	-	-
Total equity	609,924	582,575	252,091	259,705
Total equity and liabilities	4,881,070	4,736,805	258,174	266,903

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Quarter ended 30 June 2017 N 'million	Year to date 30 June 2017 N 'million	Quarter ended 30 June 2016 N 'million	Year to date 30 June 2016 N 'million
Continuing operations				
Interest income	117,598	232,378	85,744	169,201
Interest expense	(34,467)	(68,293)	(23,567)	(43,151)
Net interest income	83,131	164,085	62,177	126,050
Impairment charge for credit losses	(33,587)	(62,408)	(57,160)	(69,914)
Net interest income after impairment charge for credit losses	49,544	101,677	5,017	56,136
Insurance premium revenue	5,260	7,197	2,371	4,047
Insurance premium revenue ceded to reinsurers	(1,438)	(1,688)	(411)	(536)
Net insurance premium revenue	3,822	5,509	1,960	3,511
Fee and commission income	19,379	36,762	18,220	34,709
Fee and commission expense	(3,146)	(5,906)	(2,510)	(4,654)
Net gains on foreign exchange	2,189	5,008	51,516	52,914
Net (losses)/gains on investment securities	(630)	(168)	1,526	4,991
Net gains/(losses) from financial instruments at FVTPL	4,249	5,954	(498)	224
Dividend income	324	1,826	740	773
Other operating income	642	1,352	1,218	1,591
Insurance claims	(808)	(1,547)	(797)	(1,166)
Personnel expenses	(20,931)	(42,000)	(21,332)	(42,767)
Depreciation, amortisation and impairment	(3,930)	(7,686)	(3,655)	(7,241)
Operating expenses	(35,230)	(65,347)	(27,570)	(53,135)
Operating profit	15,474	35,434	23,835	45,886
Share of profit of associates	197	194	-	-
Profit before tax	15,671	35,628	23,835	45,886
Income tax expense	(2,330)	(6,142)	(8,704)	(10,031)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	13,341	29,486	15,131	35,855
Discontinued operations				
Loss for the period from discontinued operations	(282)	(548)	-	-
PROFIT FOR THE PERIOD	13,059	28,938	15,131	35,855
Profit attributable to:				
Owners of the parent	13,039	28,693	14,888	35,355
Non-controlling interests	20	245	243	500
	13,059	28,938	15,131	35,855
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		0.81		0.98
From discontinued operations		(0.02)		-
From profit for the period		<u>0.79</u>		<u>0.98</u>

FBN Holdings Plc.

INCOME STATEMENT

	COMPANY			
	Quarter ended	Year to date	Quarter ended	Year to date
	30 June	30 June	30 June	30 June
	2017	2017	2016	2016
	N 'million	N 'million	N 'million	N 'million
Continuing operations				
Interest income	638	1,146	176	324
Interest expense	-	-	-	-
Net interest income	638	1,146	176	324
Impairment charge for credit losses	-	-	-	-
Net interest income after impairment charge for credit losses	638	1,146	176	324
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	7	8	85	93
Net gains on investment securities	3	7	-	2
Dividend income	-	-	1,259	1,259
Other operating income	17	21	13	15
Personnel expenses	(116)	(262)	(128)	(243)
Depreciation, amortisation and impairment	(100)	(198)	(94)	(187)
Operating expenses	(700)	(1,140)	(591)	(893)
Loss before tax	(251)	(418)	720	370
Income tax expense	(16)	(27)	(20)	(20)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(267)	(445)	700	350
LOSS FOR THE PERIOD	(267)	(445)	700	350
Loss attributable to:				
Owners of the parent	(267)	(445)	700	350
Non-controlling interests	-	-	-	-
	(267)	(445)	700	350
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		(0.01)		0.01
From loss for the period		(0.01)		0.01

- 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 9,011 staff, has 882 business locations (617 local branches, 130 agencies for FirstBank (Nigeria) and 135 (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 DRC²⁷, bank subsidiaries in West Africa²⁸, 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 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 providing advisory, asset management, markets and private equity services to large institutional (corporations and governments) clientele, as well as merchant banking services.

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.

²⁷ Previously, Banque Internationale de Credit (BIC)

²⁸ 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.