



NSE: FBNH

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Bloomberg: FBNH NL

Reuters: FBNH.LG

**FBN HOLDINGS PLC REPORTS ₦136.6 BILLION IN GROSS EARNINGS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its unaudited results for the quarter ended 31 March 2021.

Selected Financial Summary

Income Statement

(₦ billion)	Q1 2021	Q1 2020	Δ
Gross earnings	136.6	159.7	-14.5%
Interest income	78.4	104.9	-25.3%
Net-interest income	52.8	60.3	-12.4%
Non-interest income ¹	52.6	49.7	+5.8%
Operating income ²	105.4	110.0	-4.2%
Impairment charges for losses	13.2	9.7	+35.7%
Operating expenses	73.3	71.6	+2.4%
Profit before tax	18.9	28.7	-34.1%
Profit for the period ³	15.6	25.7	-39.3%
Basic EPS (kobo) ⁴	0.43	0.69	-37.7%

Statement of Financial Position

(₦ billion)	Q1 2021	FY 2020	Δ
Total assets	7,835.8	7,689.0	+1.9%
Customer loans & advances (Net)	2,299.6	2,217.3	+3.7%
Customer deposits	5,096.5	4,894.7	+4.1%

Key Ratios %	Q1 2021	Q1 2020
Post-tax return on average equity ⁵	8.2	13.8
Post-tax return on average assets ⁶	0.8	1.6
Earnings yield ⁷	6.8	10.9
Net-interest margin ⁸	4.6	6.3
Cost of funds ⁹	1.6	3.3
Cost to income ¹⁰	69.6	65.1
Gross loans to deposits	46.9	49.6
Capital adequacy (FirstBank (Nigeria))	16.6	15.3
Capital adequacy (FBNQuest Merchant Bank)	24.4	17.1
NPL/Gross Loans	7.9	9.2
NPL coverage ¹¹	54.5	46.4
PPOP ¹² /impairment charge (times)	2.4	4.0
Cost of risk ¹³	2.3	1.9
Leverage (times) ¹⁴	10.3	10.3
Book value per share	21.3	19.0

¹ Non-interest income is net of fee and commission expenses

² Operating income defined as net interest income plus non-interest income

³ Profit for the period includes discontinued operations

⁴ Basic EPS computed as profit after tax divided by weighted average number of shares in issue

⁵ Post-tax return on average equity computed as profit after tax attributable to shareholders divided by the average opening and closing balances attributable to equity holders

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

⁷ Earnings yield computed as Interest income divided by the average opening and closing balances of interest earning assets (Less financial assets at fair value through profit and loss plus unlisted debts).

⁸ Net-interest margin computed as net interest income divided by the average opening and closing balances of interest earning assets (Less financial assets at fair value through profit and loss plus unlisted debts)

⁹ Cost of funds computed as interest expense divided by average interest-bearing liabilities

¹⁰ Cost to income ratio computed as operating expenses divided by operating income

¹¹ NPL coverage computed as total allowance for impairment plus regulatory risk reserve divided by total stage 3 loans.

¹² PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

¹³ Cost of risk computed as credit impairment charges divided by the average opening and closing gross loans balances.

¹⁴ Total assets divided by shareholders' equity.

Commenting on the results, U.K. Eke, the Group Managing Director said:

“Increasingly we continue to reap the benefits of diversifying our income stream by boosting non-interest income through a transaction-led banking model. This supported operating income in the face of a declining interest rate environment and challenging macro-economic environment. More importantly, this new model offers us the ability to meet the needs of our customers through technology, digitisation, and innovation. Furthermore, our Agent Banking platform continues to lead the market, and rapidly expanding our footprints, and offering the opportunity to introduce new products and services whilst supporting the growth of our non-interest income.

As we journey on, we will be seeking options to optimise the assets in the Group through specific strategic initiatives towards improving revenue generation, accelerating customer-led innovation to deepen market penetration and reconfiguring our technological architecture to drive service delivery, and reduce the cost to serve.

That said, our two-pronged approach to value maximization is focused on optimising the existing portfolio of investments and evaluating options to support our vision of remaining dominant in the financial services industry in Africa.”

Business Groups ^{15, 16}

Commercial Banking

- Gross earnings of ₦128.1 billion, down 15.2% y-o-y (Mar 2020: ₦151.0 billion)
- Net interest income of ₦51.3 billion, down 10.6% y-o-y (Mar 2020: ₦57.4 billion)
- Non-interest income of ₦48.3 billion, up 4.3% y-o-y (Mar 2020: ₦46.3 billion)
- Operating expenses of ₦70.2 billion, up 2.8% y-o-y (Mar 2019: ₦68.3 billion)
- Profit before tax of ₦16.3 billion, down 36.3% y-o-y (Mar 2019: ₦25.6 billion)
- Profit after tax of ₦13.9 billion, down 33.8% y-o-y (Mar 2020: ₦21.0 billion)
- Total assets of ₦7.5 trillion, up 1.4% y-t-d (Dec 2020: ₦7.4 trillion)
- Customers’ loans and advances (net) of ₦2.3 trillion, up 4.5% y-t-d (Dec 2020: ₦2.2 trillion)
- Customers’ deposits of ₦4.9 trillion, up 4.3% y-t-d (Dec 2020: ₦4.7 trillion)

Merchant Banking & Asset Management (MBAM) / FBNQuest

- Gross earnings of ₦8.1 billion, down 1.2% y-o-y (Mar 2020: ₦8.2 billion)
- Profit before tax of ₦2.9 billion, down 9.4% y-o-y (Mar 2020: ₦3.2 billion)
- Total assets of ₦370.0 billion, up 6.1% y-t-d (Dec 2020: ₦348.7 billion)

– ENDS –

¹⁵ Please refer to the ‘Notes to Editors’ section on page 7 for the companies in each business group

¹⁶ The pre-consolidation numbers of each of the business groups have been considered in discussing their performance

Q1 2021 Results Press Release

Please [click here](#) for the Q1 2021 unaudited financial statements

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FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31 March 2021 N 'million	31 December 2020 N 'million	31 March 2021 N 'million	31 December 2020 N 'million
ASSETS				
Cash and balances with central banks	1,684,605	1,631,730	-	-
Loans and advances to banks	920,422	1,016,823	24,038	11,240
Loans and advances to customers	2,299,577	2,217,268	62	61
Financial assets at fair value through profit or loss	153,777	126,354	2,116	2,116
Investment securities	1,785,453	1,549,290	8,967	9,863
Asset pledged as collateral	582,184	635,913	-	-
Other assets	213,967	315,501	627	14,360
Investment in associates accounted for using the equity method	1,163	1,163	-	-
Investment in subsidiaries	-	-	262,671	262,671
Property and equipment	114,292	114,034	359	312
Intangible assets	14,356	15,340	-	-
Deferred tax assets	28,019	27,619	-	-
	7,797,815	7,651,035	298,840	300,623
Assets held for sale	37,984	37,993	-	-
Total assets	7,835,799	7,689,028	298,840	300,623
LIABILITIES				
Deposits from banks	1,005,156	1,039,220	-	-
Deposits from customers	5,096,496	4,894,715	-	-
Derivative liabilities	4,308	7,464	-	-
Current income tax liabilities	13,888	11,247	215	214
Other liabilities	563,476	581,720	13,522	13,544
Borrowings	377,607	379,484	-	-
Retirement benefit obligations	7,532	7,527	-	-
Deferred tax liabilities	101	101	-	-
	7,068,564	6,921,478	13,737	13,758
Liabilities held for sale	2,399	2,379	-	-
Total liabilities	7,070,963	6,923,857	13,737	13,758
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392
Retained earnings	148,036	132,421	35,245	35,599
Statutory reserve	111,172	110,667	-	-
Capital reserve	1,223	1,223	10	10
Small and medium enterprises (SME) investment reserve	6,076	6,076	-	-
Fair value reserve	154,755	171,696	(1,492)	(84)
Contingency reserve	-	-	-	-
Regulatory risk reserve	19,141	18,060	-	-
Foreign currency translation reserve	63,928	64,603	-	-
	755,671	756,086	285,103	286,865
Non-controlling interests	9,165	9,085	-	-
Total equity	764,836	765,171	285,103	286,865
Total equity and liabilities	7,835,799	7,689,028	298,840	300,623

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Q1 ended 31 March 2021 N 'million	Year to date 31 March 2021 N 'million	Q1 ended 31 March 2020 N 'million	Year to date 31 March 2020 N 'million
Continuing operations				
Interest income	78,357	78,357	104,905	104,905
Interest expense	(25,564)	(25,564)	(44,652)	(44,652)
Net interest income	52,793	52,793	60,253	60,253
Impairment charge for losses	(13,175)	(13,175)	(9,706)	(9,706)
Net interest income after impairment charge for losses	39,619	39,619	50,547	50,547
Fee and commission income	34,027	34,027	25,810	25,810
Fee and commission expense	(5,600)	(5,600)	(5,037)	(5,037)
Net fee and commission income	28,427	28,427	20,773	20,773
Foreign exchange income	2,681	2,681	2,633	2,633
Net gains on sale investment securities	17,864	17,864	13,501	13,501
Net gains from financial instruments at FVTPL	3,119	3,119	8,341	8,341
Dividend income	26	26	4,020	4,020
Other operating income	501	501	471	471
Personnel expenses	(24,806)	(24,806)	(23,958)	(23,958)
Depreciation, amortisation and impairment	(6,510)	(6,510)	(5,727)	(5,727)
Operating expenses	(42,015)	(42,015)	(41,921)	(41,921)
Profit before tax	18,906	18,906	28,680	28,680
Income tax expense	(3,285)	(3,285)	(5,540)	(5,540)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	15,621	15,621	23,140	23,140
Discontinued operations				
(Loss)/profit for the period from discontinued operations	(21)	(21)	2,560	2,560
PROFIT FOR THE PERIOD	15,600	15,600	25,700	25,700
Profit attributable to:				
Owners of the parent	15,520	15,520	24,571	24,571
Non-controlling interests	80	80	1,129	1,129
	15,600	15,600	25,700	25,700
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		0.43		0.64
From discontinued operations		(0.00)		0.05
From profit for the period		0.43		0.69

FBN Holdings Plc.

INCOME STATEMENT

	COMPANY			
	Q1 ended 31 March 2021 N 'million	Year to date 31 March 2021 N 'million	Q1 ended 31 March 2020 N 'million	Year to date 31 March 2020 N 'million
Continuing operations				
Interest income	261	261	479	479
Interest expense	-	-	-	-
Net interest income	261	261	479	479
Impairment charge for losses	-	-	-	-
Net interest income after impairment charge for losses	261	261	479	479
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Foreign exchange income	9	9	21	21
Net gains on sale of investment securities	-	-	-	-
Net gains from financial instruments at FVTPL	-	-	-	-
Dividend income	-	-	-	-
Personnel expenses	(189)	(189)	(160)	(160)
Depreciation, amortisation and impairment	(52)	(52)	(58)	(58)
Operating expenses	(382)	(382)	(459)	(459)
Loss before tax	(353)	(353)	(177)	(177)
Income tax expense	(1)	(1)	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(354)	(354)	(177)	(177)
Discontinued operations				
Loss for the period from discontinued operations	-	-	-	-
LOSS FOR THE PERIOD	(354)	(354)	(177)	(177)
Loss attributable to:				
Owners of the parent	(354)	(354)	(177)	(177)
Non-controlling interests	-	-	-	-
	(354)	(354)	(177)	(177)
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		(0.01)		(0.00)
From discontinued operations		-		
From loss for the period		(0.01)		(0.00)

- 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 8,233 staff has 818 business locations (591 local branches, 144 QSPs and agencies for FirstBank (Nigeria) and 83, (local and international) subsidiary locations).

Prior to June 1, 2020, FBN Insurance Limited and FBN General Insurance Limited were subsidiaries of FBNHoldings (both owned by FBNHoldings 65% and Sanlam 35%). However, FBN Insurance Brokers Limited remains a subsidiary of the FBN Holdings Plc offering broking and advisory services to the Group's captive businesses and other clients.

FBN Holdings Plc. is structured as follows namely: Commercial Banking, Merchant Banking and Capital Markets, Trusteeship¹⁷ as well as Insurance brokerage¹⁸.

Commercial Banking comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC¹⁹, bank subsidiaries in West Africa²⁰, a representative office in Beijing, a branch office in Paris as well as First Pension Fund Custodian. This group provides both individual and corporate clients/ customers with financial intermediation services. This business segment includes the group's local, international and representative offices with operations in 10 countries offering commercial banking services.

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

¹⁷ Previously, Banque Internationale de Credit (BIC)

¹⁸ The insurance brokerage business is disclosed under "others" in segment reporting

¹⁹ Previously, Banque Internationale de Credit (BIC)

²⁰ 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.