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**FBN HOLDINGS PLC DOUBLES PROFIT YEAR ON YEAR TO ₦166.7 BILLION  
FOR THE FULL YEAR ENDED DECEMBER 31, 2021**

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its audited results for the financial year ended 31 December 2021.

**Selected Financial Summary**

**Income Statement**

(₦ billion)	FY 2021	FY 2020	Δ%
Gross earnings	757.3	590.7*	28.2%
Interest income	369.0	384.8	-4.1%
Net-interest income	228.2	251.6	-9.3%
Non-interest income <sup>1</sup>	364.6	185.9*	+96.1%
Operating income <sup>2</sup>	592.8	437.6	+35.5%
Impairment charges for losses	91.7	61.8*	+48.3%
Operating expenses	334.2	292.5	+14.2%
Profit before tax	166.7	83.7	+99.1%
Profit for the year <sup>3</sup>	151.1	75.6	+99.9%
Basic EPS (kobo) <sup>4</sup>	4.17	2.45	+70.2%
Proposed dividend per share (kobo)	35	45	-22.2%

**Statement of Financial Position**

(₦ billion)	FY 2021	FY 2020	Δ%
Total assets	8,932	7,689	+16.2%
Customer loans & advances (Net)	2,882	2,217	+30.0%
Customer deposits	5,849	4,895	+19.5%

Key Ratios %	FY 2021	FY 2020
Post-tax return on average equity <sup>6</sup>	18.4	12.6
Post-tax return on average assets <sup>7</sup>	1.8	1.3
Earnings yield <sup>8</sup>	7.3	9.3
Net-interest margin <sup>9</sup>	4.5	6.1
Cost of funds <sup>10</sup>	2.1	2.3
Non-interest revenue/operating income	61.5	42.5
Cost to income <sup>11</sup>	56.4	66.8
Gross loans to deposits	51.4	46.8
Capital adequacy (FirstBank (Nigeria))	17.4	17.0
Capital adequacy (FBNQuest Merchant Bank)	19.5	26.6
NPL/Gross Loans	6.1	7.7
NPL coverage <sup>12</sup>	62.2	48.0
PPOP <sup>13</sup> /impairment charge (times)	2.8	2.6
Cost of risk <sup>14</sup>	3.2	2.5
Book value per share	24.5	21.3

<sup>1</sup> Non-interest income is net of fee and commission expenses

<sup>2</sup> Operating income defined as net interest income plus non-interest income

<sup>3</sup> Profit for the year excludes discontinued operations

<sup>4</sup> Basic EPS computed as profit after tax divided by weighted average number of shares in issue, this includes discontinued operations

<sup>6</sup> 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

<sup>7</sup> Post-tax return on average assets computed as profit after tax divided by the average opening and closing balances of its total assets

<sup>8</sup> 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).

<sup>9</sup> 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)

<sup>10</sup> Cost of funds computed as interest expense divided by average interest-bearing liabilities

<sup>11</sup> Cost to income ratio computed as operating expenses divided by operating income

<sup>12</sup> NPL coverage computed as total allowance for impairment plus regulatory risk reserve divided by total stage 3 loans.

<sup>13</sup> PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

<sup>14</sup> Cost of risk computed as credit impairment charges divided by the average opening and closing gross loans balances.

\*Restated

Nnamdi Okonkwo, the Group Managing Director while commenting on the results stated that:

*“I am very proud to have assumed the role of Group Managing Director of this great organisation in January 2022 and I am excited about building on the momentum of recent positive developments.*

*Our performance over the course of 2021 is reflective of the resilience of the Group and underpins our growth strategy to generate sustainable value for all our stakeholders. As a Group, we are acutely aware of the macroeconomic challenges facing businesses and remain focussed on carefully navigating the environment through innovation and by putting our customers at the centre of our attention.*

*As a financial service holding company, driving synergies remains a critical part of our strategy and has been integrated into every aspect of our delivery model. We pride ourselves in the uniqueness of our diversified portfolio and the collaborative ecosystem that we have built around our lines of business, our customers, and the unique value proposition that we deliver. We are also increasingly leveraging technology – artificial intelligence, robotics, and other next-generation technological advancements, to deepen collaboration and further drive operational efficiency across the Group.*

*Highlighting revenue and profitability, the Group delivered a stellar performance growing gross revenue by 28.2% to ₦757.3 billion and profit before tax by 99.1% to ₦166.7 billion. The 30.0% growth in loans and advances to ₦2.9 trillion and 16.2% growth in total asset to ₦8.9 trillion reaffirms our commitment to drive revenue and profitability as we complete the balance sheet clean-up.*

*In 2022, our strategic focus is on revenue generation through digital channels and retail product offerings, further driving our synergy potential as well as continuing to improve our operating model to deliver more efficiencies”.*

## **Group Financial Review**

**Gross earnings** grew by 28.2% to ₦757.3 billion (Dec 2020: ₦590.7 billion). **Interest income** remained challenged given the moderated interest rate environment negatively impacting yields; as a result, interest income declined 4.1% to ₦369.0 billion (Dec 2020: ₦384.8 billion). To mitigate the effect of the low interest rate on investment securities and revenue generation, we remained deliberate with our intensified deposit mobilization and funding strategy to support enhanced loan growth at optimised rates leading to a 5.7% increase in **interest expense** to ₦140.8 billion (Dec 2020: ₦133.2 billion). As a result, **net interest income** declined by 9.3% to ₦228.2 billion (Dec 2020: ₦251.6 billion). Conversely, **non-interest revenue** grew by 96.1% to ₦364.6 billion (Dec 2020: ₦185.9 billion) on the back of increased fees and commission income, treasury activities and other operating income. Additionally, and in line with our focus to further enhance our revenue generation capacity, First Pension Custodian Limited, a subsidiary of FBNHoldings’ flagship subsidiary, First Bank of Nigeria Limited, entered into a definitive agreement with Access Bank Plc for the planned acquisition of the entire share capital of Access Pension Fund Custodian Limited held by Access Bank Plc. This will further boost our market share in the industry, aid revenue diversification and support annuity income. Looking ahead, we will continue to create quality loans with focus on retail lending driven by technology as we continue to grow non-interest income to further diversify revenue.

In 2021, FBNH operated in a challenging operating environment that was pressured by high inflation and currency devaluation, the effect of which increased **operating expenses** by 14.2% to ₦334.2 billion (Dec 2020: ₦292.5 billion). However, this 14.2% is below the inflation level (Dec 2020: 15.6%) whilst regulatory cost also rose during the period, up 23.2% y-o-y. Despite the inflationary push factors, **operating income** grew 35.5% to ₦592.8 billion (Dec 2020:

₦437.6 billion), resulting in an improvement in **cost to income ratio** to 56.4% (Dec 2020: 66.8%). Going forward, we will sustain our focus towards further improving efficiency by containing cost and increasing revenue.

**Deposit from Customers** increased by 19.5% y-o-y to ₦5.9 trillion (Dec 2020: ₦4.9 trillion) reaffirming our strong market access and robust funding base. Our investment in agent banking, digitalisation and deployment of digital platforms which our customers have adopted, improved customer penetration and deepened our solid retail franchise. This continues to provide us with access to stable funding, reducing our cost of fund ratio to 2.1% (Dec 2020: 2.3%) while supporting the float of our current and savings account (CASA) at 91.2% (First Bank of Nigeria).

**Total assets** grew 16.2% y-o-y to ₦8.9trillion (Dec 2020: ₦7.7trillion) driven by a 30.0% y-o-y increase in customer loans and 26.3% increase y-o-y in investment securities. Cash and balances with Central Banks, loans to banks & customers and investment securities constitute 87.2% of total assets (Dec 2020: 83.4%).

We continue to record progress in **Asset Quality and Risk Management** stemming from our retooled and strengthened risk management architecture. On the back of this, non-performing loan ratio further declined to 6.1% (Dec 2020: 7.7%) while coverage ratio improved to 62.2% (Dec 2020: 48.0%).

With a cleaner balance sheet and resilient earnings generating capacity, FirstBank (Nigeria) was able to accrete **capital buffers** from organic earnings. Hence, despite the increase in loans and advances, Capital Adequacy Ratio (CAR) remained steady, marginally increasing to 17.4% (Dec 2020: 17.0%).

#### **Business Groups:**

##### **Commercial Banking**

- Gross earnings of ₦716.8 billion, up 30.3% y-o-y (Dec 2020: ₦550.3 billion)
- Net interest income of ₦225.7 billion, down 7.7% y-o-y (Dec 2020: ₦244.6 billion)
- Non-interest income of ₦342.2 billion, up 106.4% y-o-y (Dec 2020: ₦165.8 billion)
- Operating expenses of ₦313.9 billion, up 14.3% y-o-y (Dec 2020: ₦274.6 billion)
- Profit before tax of ₦130.9 billion, up 77.9% y-o-y (Dec 2020: ₦73.6 billion)
- Profit after tax of ₦117.8 billion, up 73.9% y-o-y (Dec 2020: ₦67.8 billion)
- Total assets of ₦8.5 trillion, up 15.9% y-o-y (Dec 2020: ₦7.4 trillion)
- Customers' loans and advances (net) of ₦2.8 trillion, up 27.7% y-o-y (Dec 2020: ₦2.2 trillion)
- Customers' deposits of ₦5.6 trillion, up 19.5% y-o-y (Dec 2020: ₦4.7 trillion)

Commenting on the results, Dr. Adesola Adeduntan, Chief Executive Officer of FirstBank Group said:

*“Following years of strategic restructuring of the Bank’s balance sheet and operations, the Commercial Banking business is beginning to transition into a sustained growth phase delivering performance commensurate to the size of our business and capabilities of our people. Profit before tax is up 77.9%, gross earnings 30.3%, total assets 15.9% and customer deposits up 19.5%.*

*This performance was driven by a relentless focus on the needs of customers and improving the competitiveness of our offerings. We have sharpened our ‘Go To Market’ approach to better leverage the opportunities which our large scale provides in addition to becoming more relevant to our clients by improving our value propositions.*

*This performance is also in line with the Bank's Quantum Profitability Leap agenda which seeks to ensure that we fully maximise the revenue generating capacity of our business to boost the bottom line and fulfil the expectations of all stakeholders in the business.*

*The demonstrated resilience of our franchise to headwinds and excellent risk management capabilities place us in a good position to weather any macro-economic shocks which may arise due to the volatile nature of current operating environment. Our Non-performing loans ratio at the end of the year was 6.1% which represents significant progress towards those of other Tier 1 banks and the regulatory threshold of 5.0%.*

*We will continue to leverage our investments in digital platforms, IT infrastructure, people, and pan-African operations to ensure this growth trend is sustained".*

### **Merchant Banking & Asset Management (MBAM) / FBNQuest**

The FBNQuest Group recorded a strong performance in 2021 and continues to demonstrate resilience despite the unprecedented economic and regulatory headwinds, including pronounced uncertainty, lower market yields, higher cost of funds, and elevated Cash Reserve Requirement (CRR) debits.

FBNQuest Group's gross earnings grew by 8.5% to close at ₦42.5 billion, while profit before tax declined by 17.3% year-on-year to close at ₦9.8 billion. Our focus on annuity and fee income-driven businesses led to a growth of 14.6% in non-interest revenue y-o-y. However, net interest Income declined by 30.5% y-o-y due to lower yields on assets and a higher cost of funds, and profitability was also impacted by a 20.7% growth in operating expenses.

The Group remains well capitalised, with a capital base of ₦60.4 billion, and modest leverage, as total assets grew by 10.5% to ₦385.5 billion. The capital adequacy ratio for the Merchant Bank is 19.5%, above the regulatory requirement of 10.0%, while its loans to customer grew y-o-y by 37.6% to close at ₦78.6 billion, and customer deposits grew by 19.3% to close at ₦119.4 billion.

The Investment Management (IM) Group continues to perform strongly, contributing 32.0% of gross earnings in 2021; in particular, FBNQuest Asset Management contributed 14.4% to gross earnings. The IM Group's contribution to revenue is a 3.8-percentage point increase from the prior year.

The Corporate and Investment Banking (CIB) group continues to leverage its position as a strategic partner of choice, participating in several deals and offering credit, capital raising and financial advisory services to Corporates. Our participation in these deals was recognised with several awards, including:

1. The African Banker Awards 2021
  - Deal of the Year – Equity: for the privatisation of Afam Power Plc and Afam Three Fast Power Limited
2. Business Day Banks and other Financial Institutions (BAFI) 2021 Awards
  - Investment Bank of the Year (Nigeria)
3. Public Sector Bond Deal of 2020
  - FGN Roads Sukuk Company 1 PLC – 7-year Ijara Sukuk

Finally, we remain committed to enhancing our financial performance, growing market share, nurturing our human capital and leveraging digital technology to serve our customers better. We will continue to explore opportunities to optimise our operations in order to increase customer satisfaction and grow annuity income as we look to maximum productivity in 2022.

– ENDS –

**Conference call**

FBNHoldings will host a question and answer teleconference call with analysts and investors on the audited results for the full year December 31, 2021 and unaudited first quarter March 31, 2022 on **Friday, June 3, 2022 at 3:00pm UK / 3:00pm Lagos / 10:00am New York / 4:00pm Johannesburg & Cape Town.**

The results conference call can be accessed by [clicking here](#) to register.

Participants are advised to register for the call at least ten 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.

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

FY 2021 financial statements (audited) is also available on our website, [click here](#) to view.

**For further information please contact:**

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**FBN Holdings Plc.****SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>N 'million</b>	<b>N 'million</b>	<b>N 'million</b>	<b>N 'million</b>
<b>ASSETS</b>				
Cash and balances with central banks	1,586,769	1,631,730	-	-
Loans and advances to banks	1,015,122	1,016,823	16,477	11,240
Loans and advances to customers	2,881,916	2,217,268	49	61
Financial assets at fair value through profit or loss	351,146	126,354	1,337	2,116
Investment securities	1,957,478	1,549,290	4,210	9,863
Asset pledged as collateral	718,662	635,913	-	-
Other assets	218,638	315,501	13,344	14,360
Investments in associates accounted for using the equity method	1,009	1,163	-	-
Investment in subsidiaries	-	-	262,671	262,671
Property and equipment	115,987	114,034	397	312
Intangible assets	19,018	15,340	-	-
Deferred tax assets	28,710	27,619	-	-
	8,894,455	7,651,035	298,485	300,623
Assets held for sale	37,918	37,993	-	-
<b>Total assets</b>	<b>8,932,373</b>	<b>7,689,028</b>	<b>298,485</b>	<b>300,623</b>
<b>LIABILITIES</b>				
Deposits from banks	1,098,107	1,039,220	-	-
Deposits from customers	5,849,487	4,894,715	-	-
Derivative liabilities	19,648	7,464	-	-
Current income tax liability	17,741	11,247	7	214
Other liabilities	654,350	581,720	16,192	13,544
Borrowings	405,304	379,484	-	-
Retirement benefit obligations	5,392	7,527	-	-
Deferred tax liabilities	366	101	-	-
	8,050,395	6,921,478	16,199	13,758
Liabilities held for sale	2,122	2,379	-	-
<b>Total liabilities</b>	<b>8,052,517</b>	<b>6,923,857</b>	<b>16,199</b>	<b>13,758</b>
<b>EQUITY</b>				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392
Retained earnings	311,877	132,421	32,494	35,599
Statutory reserve	135,372	110,667	-	-
Capital reserve	1,223	1,223	10	10
Small scale investment reserve	6,076	6,076	-	-
Fair value reserve	87,964	171,696	(1,558)	(84)
Regulatory risk reserve	3,240	18,060	-	-
Foreign currency translation reserve	72,359	64,603	-	-
	869,451	756,086	282,286	286,865
Non-controlling interests	10,405	9,085	-	-
<b>Total equity</b>	<b>879,856</b>	<b>765,171</b>	<b>282,286</b>	<b>286,865</b>
<b>Total equity and liabilities</b>	<b>8,932,373</b>	<b>7,689,028</b>	<b>298,485</b>	<b>300,623</b>

**FBN Holdings Plc.**

SEPARATE AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS	GROUP		COMPANY	
	31 December 2021 N 'million	Restated 31 December 2020 N 'million	31 December 2021 N 'million	31 December 2020 N 'million
<b>Continuing operations</b>				
Interest income	369,047	384,798	1,502	1,332
Interest expense	(140,805)	(133,183)	(1)	(13)
<b>Net interest income</b>	<b>228,242</b>	<b>251,615</b>	<b>1,501</b>	<b>1,319</b>
Impairment charge for losses	(91,711)	(61,830)	-	-
<b>Net interest income after impairment charge for losses</b>	<b>136,531</b>	<b>189,785</b>	<b>1,501</b>	<b>1,319</b>
Fee and commission income	140,574	113,222	-	-
Fee and commission expense	(23,936)	(19,446)	-	-
<b>Net Fee and commission income</b>	<b>116,638</b>	<b>93,776</b>	-	-
Foreign exchange income	7,044	1,460	24	34
Net gains/(losses) on sale of investment securities	31,295	48,078	71	(10)
Net gains/(losses) from financial instruments at FVTPL	53,658	23,775	(779)	(941)
Dividend income	6,520	3,983	16,401	18,296
Profit from disposal of investment in subsidiary	-	-	-	19,890
Other operating income	149,416	14,865	(84)	-
Personnel expenses	(128,772)	(100,584)	(1,620)	(1,465)
Depreciation of property and equipment	(20,022)	(18,634)	(210)	(223)
Amortisation of intangible assets	(8,258)	(7,238)	-	-
Operating expenses	(177,130)	(166,045)	(2,251)	(2,827)
<b>Operating profit</b>	<b>166,920</b>	<b>83,221</b>	<b>13,053</b>	<b>34,073</b>
Share of (loss)/profit of associates	(258)	482	-	-
<b>Profit before tax</b>	<b>166,662</b>	<b>83,703</b>	<b>13,053</b>	<b>34,073</b>
Income tax expense	(15,515)	(8,111)	(5)	(213)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>151,147</b>	<b>75,592</b>	<b>13,048</b>	<b>33,860</b>
<b>Discontinued operations</b>				
(Loss)/profit for the year from discontinued operations	(68)	14,138	-	-
<b>PROFIT FOR THE YEAR</b>	<b>151,079</b>	<b>89,730</b>	<b>13,048</b>	<b>33,860</b>
<b>Profit attributable to:</b>				
Owners of the parent	149,709	87,986	13,048	33,860
Non-controlling interests	1,370	1,744	-	-
	<b>151,079</b>	<b>89,730</b>	<b>13,048</b>	<b>33,860</b>
<b>Earnings per share for profit attributable to owners of the parent</b>				
Basic/diluted earnings per share (in Naira):				
From continuing operations	4.17	2.06	0.36	0.94
From discontinued operations	(0.00)	0.39	-	-
From profit for the year	4.17	2.45	0.36	0.94

**- 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 Exchange formerly 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](http://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 Capital Markets, Trusteeship<sup>15</sup> as well as Insurance brokerage. The Group, with about 8,220 staff has 821 business locations (591 local branches, 144 QSPs and agencies for FirstBank (Nigeria) and 86, (local and international) subsidiary locations).

**Commercial Banking** comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC, bank subsidiaries in West Africa<sup>16</sup>, a representative office in Beijing and 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. The group creates value by offering investment and risk management products, managing funds, administering assets, and trading securities. It caters to the diverse advisory, funding and investment needs of clients spanning Federal and State Governments, corporates and high-net-worth individuals (HNIs).

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<sup>15</sup> The Merchant Banking, Capital Markets and Trusteeship operate under the reportable entity Merchant Banking and Asset Management / FBNQuest

<sup>16</sup> 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.*