



NGX: FBNH

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Bloomberg: FBNH NL

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**FBN HOLDINGS PLC DOUBLES PROFIT BEFORE TAX TO ₦106 BILLION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its unaudited results for the nine months ended September 30, 2022.

Financial Highlights

Income Statement

(₦ billion)	9M 2022	9M 2021	Δ%
Gross earnings	547.2	432.6	+26.6%
Interest income	370.4	260.1	+42.4%
Net-interest income	249.5	163.0	+53.1%
Non-interest income ¹	157.0	154.6	+1.6%
Operating income ²	406.6	317.6	+28.0%
Impairment charges for losses	36.7	34.8	5.4%
Operating expenses	264.3	229.5	+15.2%
Profit before tax	105.5	52.9	+99.3%
Profit for the period ³	91.2	40.8	+123.6%
Basic EPS (kobo) ⁵	251	112	+124.5%

Statement of Financial Position

(₦ billion)	9M 2022	FY 2021	Δ%
Total assets	9,852.8	8,932.4	+10.3%
Customer loans & advances (Net)	3,599.5	2,881.9	+24.9%
Customer deposits	6,600.6	5,849.5	+12.8%

Key Ratios %	9M 2022	9M 2021
Post-tax return on average equity ⁶	13.7	7.2
Post-tax return on average assets ⁷	1.3	0.7
Earnings yield ⁸	8.1	7.0
Net-interest margin ⁹	5.4	4.4
Cost of funds ¹⁰	2.1	1.9
Non-interest revenue/operating income	38.6	48.7
Cost to income ¹¹	65.0	72.2
Gross loans to deposits	56.6	52.8
Capital adequacy (FirstBank Nigeria) ⁴	15.6	15.5
Capital adequacy (FBNQuest Merchant Bank)	15.7	21.1
NPL/Gross Loans	4.7	7.3
NPL coverage ¹²	75.1	50.2
PPOP ¹³ /impairment charge (times)	3.9	2.5
Cost of risk ¹⁴	1.5	1.8
Book value per share	24.9	21.0

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 Including 9M22 profit, CAR is 17.0%

⁵ Basic EPS computed as profit after tax including discontinued operation divided by weighted average number of shares in issue

⁶ 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

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

⁸ Earnings yield computed as annualised 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 Net-interest margin computed as annualised 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)

¹⁰ Cost of funds computed as annualised interest expense divided by average interest-bearing liabilities

¹¹ Cost to income ratio computed as operating expenses divided by operating income

¹² NPL coverage computed as total allowance for impairment plus regulatory risk reserve divided by total stage 3 loans

¹³ PPOP - Pre-provision operating profit computed as sum of operating profit and impairment charge

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

* Percentage change could vary due to rounding up of numbers

Nnamdi Okonkwo, the Group Managing Director commented:

"FBNHoldings has again in Q3 2022 delivered a stellar performance, growing sustainable income from our core businesses. This is a testament to the success of our focus on carefully growing the business and driving profitability. As a result, Gross earnings grew 26.6% y-o-y to ₦546.2 billion, while profit before tax doubled y-o-y to ₦105.5 billion. I am particularly delighted by the significant improvement in our credit risk portfolio. Specifically, the NPL ratio closed at 4.7% within the regulatory threshold of 5%, while the coverage ratio increased to 75.1% from 62.2% in FY 2021. Furthermore, during the period under review, in attestation of the progress made by the Group, Fitch upgraded the credit ratings of FBNHoldings and FirstBank to 'B' with a Stable Outlook.

Value creation remains our overarching objective as we continue to leverage the strengths of our unique brand and heritage to optimise our diverse business portfolio. We are confident of making further progress, with the capacity to generate sustainable performance that delivers superior returns to all our stakeholders."

Business Groups ^{15, 16}

Commercial Banking

- Gross earnings of ₦512.9 billion, up 27.5% y-o-y (Sep 2021: ₦402.2 billion)
- Net interest income of ₦248.5 billion, up 55.7% y-o-y (Sep 2021: ₦159.6 billion)
- Non-interest income of ₦138.5 billion is flat y-o-y (Sep 2021: ₦138.8 billion)
- Operating expenses of ₦253.0 billion, up 16.2% y-o-y (Sep 2021: ₦217.7 billion)
- Profit before tax of ₦96.4 billion, up 119.1% y-o-y (Sep 2021: ₦44.0 billion)
- Profit after tax of ₦85.7 billion, up 142.1% y-o-y (Sep 2021: ₦35.4 billion)
- Total assets of ₦9.4 trillion, up 10.1% y-t-d (Dec 2021: ₦8.5 trillion)
- Customers' loans and advances (net) of ₦3.5 trillion, up 24.5% y-t-d (Dec 2021: ₦2.8 trillion)
- Customers' deposits of ₦6.4 trillion, up 13.2% y-t-d (Dec 2021: ₦5.6 trillion)

Commenting on the results, Dr Adesola Adeduntan, Chief Executive Officer of First Bank of Nigeria Limited (Commercial Banking Group) stated that:

"The performance of the Commercial Banking Group for the nine months ended September 30, 2022, has again shown that the Group is making progress in the pursuit of its 'Quantum Profitability Leap' agenda. The improved profitability during the period under review further reinforces the Bank's commitment to its growth aspirations despite the challenging market conditions.

Our gross earnings are up 27.5% y-o-y to ₦512.9 billion, and net interest income up 55.7% y-o-y to ₦248.5 billion respectively. On the back of the impressive growth recorded in our top line, our profit before tax recorded another strong growth of 119.1% y-o-y to ₦96.4 billion, whilst profit after tax also grew impressively by 142.1% y-o-y to ₦85.7 billion as the Bank continues to reap the benefits of the changes to our business model in addition to revamping of our risk management and control architecture.

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

We continue to record progress in driving down our non-performing loan ratio, which has now come down to 4.86% at the end of the third quarter, within regulatory limit of 5%. This is the first time since 2015 that we would be within the regulatory limit, and we achieved this ahead of our initial target of Q4 2022.

In further testament to the ongoing turnaround and repositioning of the Parent and Banking Group, Fitch, following the conclusion of their review during the quarter, announced the upgrade of FBNHoldings and FirstBank's Long-Term Issuer Default Ratings (IDRs) to 'B' from 'B-', with Outlook Stable. This has aligned our credit rating to our Tier 1 peers and the sovereign and has further positioned the Group for more market opportunities.

We remain confident that as we go into Q4 2022 and plan for the new year, we will continue to strengthen our franchise capabilities and offerings across all our markets, not only to withstand the current headwinds but also continue to deliver top-end value-adding products and services to our esteemed customers and other stakeholders."

Merchant Banking & Asset Management (MBAM) / FBNQuest

- Gross earnings of ₦35.9 billion, up 14.6% y-o-y (Sep 2021: ₦31.4 billion)
- Profit before tax of ₦11.5 billion, up 10.6% y-o-y (Sep 2021: ₦10.4 billion)
- Total assets of ₦446.9 billion, up 15.9% y-t-d (Dec 2021: ₦385.5 billion)

– ENDS –

Conference call

FBNHoldings will host a question-and-answer teleconference call with analysts and investors on the unaudited nine months September 30, 2022 results, on **Friday, October 28, 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. A recording will be posted on the Company's website for those unable to listen to the live call.

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

Unaudited 9M 2022 Financial Statements

Please [click here](#) to view the unaudited 9M 2022 financial statements on our website.

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	
	30 Sept. 2022	31 Dec. 2021	30 Sept. 2022	31 Dec. 2021
	N 'million	N 'million	N 'million	N 'million
ASSETS				
Cash and balances with central banks	1,723,972	1,586,769	-	-
Loans and advances to banks	1,176,529	1,015,122	17,276	16,477
Loans and advances to customers	3,599,488	2,881,916	38	49
Financial assets at fair value through profit or loss	158,015	351,146	1,337	1,337
Investment securities	2,168,798	1,957,478	3,932	4,210
Asset pledged as collateral	562,626	718,662	-	-
Other assets	267,649	218,638	614	13,344
Investment in associates	969	1,009	-	-
Investment in subsidiaries	-	-	262,671	262,671
Property and equipment	117,095	115,987	711	397
Intangible assets	13,307	19,018	-	-
Deferred tax assets	26,629	28,710	-	-
	9,815,077	8,894,455	286,579	298,485
Assets held for sale	37,739	37,918	-	-
Total assets	9,852,816	8,932,373	286,579	298,485
LIABILITIES				
Deposits from banks	1,016,937	1,098,107	-	-
Deposits from customers	6,600,595	5,849,487	-	-
Derivative liabilities	35,927	19,648	-	-
Current income tax liabilities	19,246	17,741	13	7
Other liabilities	680,116	654,350	17,878	16,192
Borrowings	598,957	405,304	-	-
Retirement benefit obligations	5,227	5,392	-	-
Deferred tax liabilities	372	366	-	-
	8,957,377	8,050,395	17,891	16,199
Liabilities held for sale	2,054	2,122	-	-
Total liabilities	8,959,431	8,052,517	17,891	16,199
EQUITY				
Share capital	17,948	17,948	17,948	17,948
Share premium	233,392	233,392	233,392	233,392
Retained earnings	388,118	311,877	19,078	32,494
Statutory reserve	137,174	135,372	-	-
Capital reserve	1,223	1,223	10	10
SME investment reserve	6,076	6,076	-	-
Fair value reserve	57,763	87,964	(1,740)	(1,558)
Regulatory risk reserve	2,945	3,240	-	-
Foreign currency translation reserve	37,222	72,359	-	-
	881,861	869,451	268,688	282,286
Non-controlling interests	11,524	10,405	-	-
Total equity	893,385	879,856	268,688	282,286
Total equity and liabilities	9,852,816	8,932,373	286,579	298,485

FBN Holdings Plc.

INCOME STATEMENT

	GROUP			
	Q3 ended	Year to date	Q3 ended	Year to date
	30 Sept. 2022 N 'million	30 Sept. 2022 N 'million	30 Sept. 2021 N 'million	30 Sept. 2021 N 'million
Continuing operations				
Interest income	144,011	370,364	99,100	260,118
Interest expense	(47,390)	(120,831)	(39,962)	(97,157)
Net interest income	96,621	249,533	59,138	162,961
Impairment charge for losses	(15,000)	(36,711)	(8,125)	(34,839)
Net interest income after impairment charge for losses	81,621	212,822	51,013	128,122
Fee and commission income	40,148	110,841	34,689	103,766
Fee and commission expense	(7,520)	(19,843)	(6,163)	(17,867)
Net fee and commission income	32,628	90,998	28,526	85,899
Foreign exchange (loss)/income	(14,375)	2,135	5,435	5,907
Net gains on sale investment securities	4,537	26,945	52	21,466
Net gains from financial instruments at FVTPL	10,616	21,887	7,187	29,615
Dividend income	111	3,002	1,644	3,547
Other operating income	2,887	12,066	(9,076)	8,198
Personnel expenses	(29,600)	(84,908)	(28,083)	(79,321)
Depreciation, amortisation and impairment	(6,617)	(20,503)	(7,241)	(20,565)
Other operating expenses	(42,153)	(158,912)	(41,557)	(129,568)
Operating profit	39,655	105,532	7,900	53,300
Share of profit/(loss) of associates	114	(40)	(204)	(367)
Profit before tax	39,769	105,492	7,696	52,933
Income tax expense	(5,082)	(14,203)	(4,934)	(12,082)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	34,687	91,289	2,762	40,851
Discontinued operations				
Loss for the period from discontinued operations	(21)	(87)	(16)	(60)
PROFIT FOR THE PERIOD	34,666	91,202	2,746	40,791
Profit attributable to:				
Owners of the parent	34,304	90,083	2,446	40,128
Non-controlling interests	362	1,119	300	663
	34,666	91,202	2,746	40,791
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		2.51		1.12
From discontinued operations		(0.00)		(0.00)
From profit for the period		2.51		1.12

FBN Holdings Plc.**INCOME STATEMENT**

	COMPANY			
	Q3 ended 30 Sept. 2022 N 'million	Year to date 30 Sept. 2022 N 'million	Q3 ended 30 Sept. 2021 N 'million	Year to date 30 Sept. 2021 N 'million
Continuing operations				
Interest income	572	1,444	441	1,028
Interest expense	-	-	-	(1)
Net interest income	572	1,444	441	1,027
Impairment charge for losses	-	-	-	-
Net interest income after impairment charge for losses	572	1,444	441	1,027
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Foreign exchange income	15	13	1	12
Net gains on sale of investment securities	-	-	71	71
Net losses from financial instruments at FVTPL	-	-	(234)	(763)
Dividend income	-	(108)	-	(245)
Other operating income	3	3	-	-
Personnel expenses	(188)	(565)	(190)	(551)
Depreciation, amortisation and impairment	(52)	(156)	(54)	(153)
Other operating expenses	(511)	(1,477)	(544)	(1,433)
Loss before tax	(161)	(846)	(509)	(2,035)
Income tax expense	(5)	(7)	-	(3)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(166)	(853)	(509)	(2,038)
Discontinued operations				
Profit for the period from discontinued operations	-	-	-	-
LOSS FOR THE PERIOD	(166)	(853)	(509)	(2,038)
Loss attributable to:				
Owners of the parent	(166)	(853)	(509)	(2,038)
Non-controlling interests	-	-	-	-
	(166)	(853)	(509)	(2,038)
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		(0.02)		(0.06)
From discontinued operations		-		-
From profit for the period		(0.02)		(0.06)

- 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 Capital Markets, Trusteeship¹⁷ as well as Insurance brokerage. The Group, with about 8,248 staff has 827 business locations (591 local branches, 144 QSPs and agencies for FirstBank (Nigeria) and 92, (local and international) subsidiary locations).

Commercial Banking comprises First Bank of Nigeria Limited, FBNBank (UK), FBNBank DRC, bank subsidiaries in West Africa¹⁷, a representative office in Beijing and Paris, as well as First Pension Fund Custodian. This group provides 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 subsidiary 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 clients' various advisory, funding and investment needs spanning Federal and State Governments, corporates and high-net-worth individuals (HNIs).

¹⁷ The Merchant Banking, Capital Markets and Trusteeship operate under the reportable entity Merchant Banking and Asset Management / FBNQuest

¹⁷ Comprising locations in Ghana, Gambia, Guinea, Sierra Leone, 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 generally subject to inherent risks and uncertainties surrounding future expectations. 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 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.