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**FBN HOLDINGS PLC GROWS GROSS EARNINGS TO ₦805 BILLION  
FOR THE FULL YEAR ENDED DECEMBER 31, 2022**

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its audited results for the financial year ended December 31, 2022.

**Selected Financial Summary**

**Income Statement**

(₦ billion)	FY 2022	FY 2021	Δ%
Gross earnings	805.1	757.3	+6.3%
Interest income	551.9	369.0	+49.6%
Net-interest income	363.2	228.2	+59.2%
Non-interest income <sup>1</sup>	227.2	364.3	-37.7%
Operating income <sup>2</sup>	590.4	592.6	-0.4%
Impairment charges for losses	68.6	91.7	-25.2%
Operating expenses	364.1	334.2	+9.0%
Profit before tax	157.7	166.7	-5.4%
Profit for the year <sup>3</sup>	136.1	151.1	-10.0%
Basic EPS (kobo) <sup>4</sup>	3.74	4.17	-10.3%
Proposed dividend per share (kobo)	50	35	+42.9%

**Statement of Financial Position**

(₦ billion)	FY 2022	FY 2021	Δ%
Total assets	10,578	8,932	18.4%
Customer loans & advances (Net)	3,789	2,882	31.5%
Customer deposits	7,124	5,849	21.8%

Key Ratios %	FY 2022	FY 2021
Post-tax return on average equity <sup>5</sup>	14.5	18.4
Post-tax return on average assets <sup>6</sup>	1.4	1.8
Earnings yield <sup>7</sup>	8.8	7.3
Net-interest margin <sup>8</sup>	5.8	4.5
Cost of funds <sup>9</sup>	2.3	2.1
Non-interest revenue/operating income	38.5	61.5
Cost to income <sup>10</sup>	61.7	56.4
Gross loans to deposits	55.2	51.4
Capital adequacy (FirstBank (Nigeria))	16.8	17.4
Capital adequacy (FBNQuest Merchant Bank)	16.3	19.5
NPL/Gross Loans	4.3	6.1
NPL coverage <sup>11</sup>	86.6	62.2
PPOP <sup>12</sup> /impairment charge (times)	3.6	3.0
Cost of risk <sup>13</sup>	1.7	3.2
Book value per share	27.7	24.5

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 year excludes discontinued operations

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

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 loan balances

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

*“FBNHoldings continues to make good progress in transforming the enterprise despite the uncertain and complex operating environment, leveraging the execution capabilities of top talents across the Group to generate sustainable value for all our stakeholders.*

*In 2022, we grew net interest income by 59.2% y-o-y to ₦363.2 billion which ultimately delivered a robust profit before tax of to ₦157.7 billion from the ordinary business of the Group. As a reaffirmation of our commitment to drive revenue and profitability leveraging on the strengthened balance sheet, loans and advances grew 31.5% y-o-y to ₦3.8 trillion and total asset 18.4% y-o-y to ₦10.6 trillion, while our investments in technology and strong transactional and digital banking capabilities continue to support non-interest income generation.*

*In line with our strategic priorities, we are driving further revenue and profitability growth through a carefully evaluated delivery model of service offerings, with a focus on owning the customer journey while deepening our unique value proposition across markets. We are re-imagining our digital client acquisition and product offerings and accelerating next generation capabilities to exceed current requirements of existing and potential customers. In addition, we remain committed to enhancing our operational efficiency with a focus on optimising processes through technology and digital platform delivery while ensuring its availability and stability.*

*Finally, we see endless possibilities ahead, as we keep defining frontiers of financial services, optimising the depth and breadth of our unique portfolio of businesses to unlock the full potential of FBNH.”*

## **Group Financial Review**

**Gross earnings** grew by 6.3% to ₦805.1 billion (Dec 2021: ₦757.3billion). This was driven by strong growth in **interest income** (+49.6% y-o-y) to ₦551.9 billion (Dec 2021: ₦369.0 billion). The increase in interest income benefited primarily from 31.5% y-o-y growth in loans to customers. This was further supported by the higher interest rate environment, which positively impacted yields. On the other hand, **interest expense** growth of 34.0% y-o-y to ₦188.7 billion (Dec 2021: ₦140.8 billion), was contained following strategic growth in deposit mobilisation and funding at optimised rates. As a result, **net interest income** improved impressively by 59.2% y-o-y to ₦363.2 billion (Dec 2021: ₦228.2 billion).

We remain focused on optimising non-interest revenue across the business. In line with this, **fees and commission income** grew 2.4% y-o-y to ₦144.0 billion (Dec 2021: ₦140.6 billion), increasing largely from higher number of transactions. Further, fees from electronic banking supported non-interest revenue despite proliferation of fintechs and competition in the industry. Overall, the contribution of non-interest income to net revenue remains steady.

In 2022, we were faced with varying macro-economic challenges including high inflation and currency depreciation, the effect of which contributed to the 9.0% y-o-y increase in operating expenses to ₦364.1 billion (Dec 2021: ₦334.2 billion). Despite these challenges, the Group maintained operating expenses growth well below the year-end inflation rate of 21.3%. Despite the macro pressures, **operating income** remains robust at ₦590.4 billion (Dec 2021: ₦592.6 billion), resulting in **cost to income ratio** of 61.7%. Going forward, we remain focused on further improving efficiency.

**Deposit from customers** increased by 21.8% y-o-y to ₦7.1 trillion (Dec 2021: ₦5.8 trillion), further reinforcing the robust funding base. Deposits grew across all the lines, primarily along the low-cost segments. As a result, current and savings account now represent 91.9% of total deposits<sup>14</sup> (Dec 2021:91.2%). The deposit base remains well diversified, driven by the rich retail franchise, thereby providing a stable core deposit base enhancing our strong liquidity position. The Group sustained its customer acquisition drive, enhanced financial inclusion through the increasing Agent banking network, while increasing customer deposit funding stability through various digital platforms. In view of this and despite the increasing rate environment, cost of fund increased only marginally to close at 2.3% (Dec 2021: 2.1%). The Group continues to enjoy strong brand recognition and market access providing robust funding opportunities.

**Total assets** grew 18.4% y-o-y to ₦10.6 trillion (Dec 2021: ₦8.9 trillion) driven by a 31.5% y-o-y increase in net customer loans and 18.6% y-o-y increase in investment securities. Demonstrating improving earning asset position, cash and balances with central Banks, loans to banks & customers and investment securities constitute now 88.9% of total assets versus 87.2% in the prior year.

The Group's transformed **risk management** architecture continues to support the sustainable improvement in overall earnings. This has been demonstrated by the continuously improving **asset quality** metrics, despite the peculiar challenges across different markets. Specifically, the **non-performing loan ratio** further declined to 4.3% (Dec 2021: 6.1%), within the regulatory benchmark of 5%, while **coverage ratio** further improved to 86.6% (Dec 2021: 62.2%). Similarly, **cost of risk** dropped to 1.7% (Dec 2021: 3.2%).

The strengthened balance sheet provides a solid platform for resilient and sustainable earnings generation to support capital. On the back of this, our banking subsidiaries continue to maintain a disciplined approach to capital management supported by improving coverage ratios. As such, all entities maintain capital in compliance with regulatory guidance.

#### **Business Groups:**

##### **Commercial Banking**

- Gross earnings of ₦748.6 billion, up 4.4% y-o-y (Dec 2021: ₦716.8 billion)
- Net interest income of ₦357.2 billion, up 58.3% y-o-y (Dec 2021: ₦225.7 billion)
- Non-interest income of ₦198.5 billion, down 42.0% y-o-y (Dec 2021: ₦342.2 billion)
- Operating expenses of ₦341.9 billion, up 8.9% y-o-y (Dec 2021: ₦313.9 billion)
- Profit before tax of ₦147.0 billion, up 12.4% y-o-y (Dec 2021: ₦130.9 billion)
- Profit after tax of ₦129.4 billion, up 9.8% y-o-y (Dec 2021: ₦117.8 billion)
- Total assets of ₦10.1 trillion, up 18.1% y-o-y (Dec 2021: ₦8.5 trillion)
- Customers' loans and advances (net) of ₦3.7 trillion, up 30.5% y-o-y (Dec 2021: ₦2.8 trillion)
- Customers' deposits of ₦6.9 trillion, up 22.4% y-o-y (Dec 2021: ₦5.6 trillion)

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<sup>14</sup> In First Bank of Nigeria

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

*“The Commercial Banking Group continued the strong performance trajectory from the 2021 results posting another set of robust results for FY 2022 with gross earnings up 4.4% year-on-year to ₦748.6 billion and profit before tax of ₦147 billion, recording a growth of 12.4% year-on-year. Total assets grew by 18.1% year-on-year to ₦10.1 trillion despite the unprecedented macro-economic challenges and dynamic regulatory environment. The impressive growth in PBT was driven by a 58.3% year-on-year growth in interest income from ₦255.7 billion to ₦357.2 billion arising from business growth and improved optimisation of our balance sheet. This is in keeping with our Quantum Profitability Leap agenda.*

*As a Group, we continue to reap the benefits of our investments in technology, transaction and digital banking capabilities which enable us to offer better customer experiences to our numerous clients. This was further reflected in the impressive 22.4% and 28.5% year-on-year growth in customers’ deposits and loans respectively, demonstrating customers’ confidence in our service delivery and value proposition.*

*In the face of the increasingly competitive landscape, we are continually looking into the future to build an enduring and sustainable institution. We remain focused on the disciplined execution of our strategic initiatives aimed at positioning the Group for improved profitability, facilitating performance excellence, and exceeding the expectations of all our stakeholders.”*

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

The FBNQuest group delivered a solid performance in 2022 despite the challenging macroeconomic and operating environment.

The group recorded 42.2% year-on-year growth in profit-before-tax to close at a four-year high of ₦13.9 billion. The performance was underpinned by a 25.4% increase in gross earnings to ₦53.1 billion, and the successful implementation of cost optimisation initiatives saw operating expenses drop by 2.7% despite inflationary pressures. We continue to make progress growing non-interest annuity type income, with non-interest income representing 82.8% of net revenues, growing by 13.9% y-o-y. We also made progress growing Net interest income by 27.0%, despite the rising cost of funds and increasing regulatory charges.

The FBNQuest group’s total assets increased by 28.5% to ₦495.4 billion, and the group remains well capitalised with Shareholders’ Funds of ₦63.3 billion. The Merchant Bank’s Capital Adequacy Ratio (CAR) stood comfortably above the regulatory requirement of 10%, at 16.3%.

The Investment Management Division continues to be a major driver of our success, increasing its contribution to top-line revenues to 36.2% in 2022 from 30.2% in 2021. Our Alternative Investment business delivered a particularly strong performance following the business’ profitable exit from one of its portfolio companies that was carefully nurtured over the years. The Asset Management business delivered a 28.3% increase in revenues compared to 2021, while the Trustees business continues to generate stable revenues.

Despite the challenging environment for growing risk assets, the Corporate and Investment Banking (CIB) Division performed well, contributing 30.4% to top-line revenues. The division remained top of mind for clients, as we

participated in several capital markets transactions and closed a major syndicated facility in the oil and gas sector during the year.

The Institutional Securities Division contributed 33.4% to top-line revenues. The Fixed Income, Currencies, and Treasury business continues to be a major driver with 35.6% of divisional top-line revenue, whilst the Equity brokerage business has grown by 48.8%.

As we look ahead to 2023, we will remain focused on the effective execution of our strategic objectives to purposely accelerate revenue growth, provide an enabling environment for our people to excel, intensify our efforts to enhance the client experience across all our channels and deliver value to our shareholders.

– 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, 2022 and unaudited first quarter March 31, 2023 on **Monday, June 5, 2023 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 time. 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 2022 financial statements (audited) is also available on our website, [click here](#) to view.

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2021</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	1,790,863	1,586,769	-	-
Loans and advances to banks	1,223,061	1,015,122	18,331	16,477
Loans and advances to customers	3,789,061	2,881,916	39	49
Financial assets at fair value through profit or loss	278,466	351,146	1,601	1,337
Investment securities	2,321,885	1,957,478	3,963	4,210
Asset pledged as collateral	595,171	718,662	-	-
Other assets	373,130	218,638	19,032	13,344
Investments in associates accounted for using the equity method	1,185	1,009	-	-
Investment in subsidiaries	-	-	262,671	262,671
Property and equipment	125,167	115,987	718	397
Intangible assets	15,859	19,018	-	-
Deferred tax assets	30,909	28,710	-	-
	<b>10,544,757</b>	<b>8,894,455</b>	<b>306,355</b>	<b>298,485</b>
Assets held for sale	32,953	37,918	-	-
<b>Total assets</b>	<b>10,577,710</b>	<b>8,932,373</b>	<b>306,355</b>	<b>298,485</b>
<b>LIABILITIES</b>				
Deposits from banks	1,055,254	1,098,107	-	-
Deposits from customers	7,124,086	5,849,487	-	-
Derivative liabilities	38,384	19,648	-	-
Current income tax liability	27,901	17,741	29	7
Other liabilities	652,554	654,350	17,269	16,192
Borrowings	675,440	405,304	-	-
Retirement benefit obligations	5,699	5,392	-	-
Deferred tax liabilities	868	366	-	-
	<b>9,580,186</b>	<b>8,050,395</b>	<b>17,298</b>	<b>16,199</b>
Liabilities held for sale	1,783	2,122	-	-
<b>Total liabilities</b>	<b>9,581,969</b>	<b>8,052,517</b>	<b>17,298</b>	<b>16,199</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	397,709	311,877	39,391	32,494
Statutory reserve	156,553	135,372	-	-
Capital reserve	-	1,223	10	10
Small scale investment reserve	6,076	6,076	-	-
Fair value reserve	98,060	87,964	(1,684)	(1,558)
Regulatory risk reserve	20,224	3,240	-	-
Foreign currency translation reserve	53,667	72,359	-	-
	<b>983,629</b>	<b>869,451</b>	<b>289,057</b>	<b>282,286</b>
Non-controlling interests	12,112	10,405	-	-
<b>Total equity</b>	<b>995,741</b>	<b>879,856</b>	<b>289,057</b>	<b>282,286</b>
<b>Total equity and liabilities</b>	<b>10,577,710</b>	<b>8,932,373</b>	<b>306,355</b>	<b>298,485</b>

**FBN Holdings Plc.**

SEPARATE AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS	GROUP		COMPANY	
	31 December 2022 N 'million	31 December 2021 N 'million	31 December 2022 N 'million	31 December 2021 N 'million
<b>Continuing operations</b>				
Interest income	551,937	369,047	2,088	1,502
Interest expense	(188,688)	(140,805)	(3)	(1)
<b>Net interest income</b>	<b>363,249</b>	<b>228,242</b>	<b>2,085</b>	<b>1,501</b>
Impairment charge for losses	(68,619)	(91,711)	-	-
<b>Net interest income after impairment charge for losses</b>	<b>294,630</b>	<b>136,531</b>	<b>2,085</b>	<b>1,501</b>
Fee and commission income	143,981	140,574	-	-
Fee and commission expense	(26,012)	(23,936)	-	-
<b>Net Fee and commission income</b>	<b>117,969</b>	<b>116,638</b>	<b>-</b>	<b>-</b>
Foreign exchange income	22,392	7,044	38	24
Net gains/(losses) on sale of investment securities	22,425	31,295	-	71
Net gains/(losses) from financial instruments at FVTPL	38,648	53,658	264	(779)
Dividend income	3,166	6,520	19,871	16,401
Other operating income	22,404	149,416	2,024	(84)
Personnel expenses	(117,376)	(128,772)	(1,884)	(1,620)
Depreciation of property and equipment	(20,982)	(20,022)	(225)	(210)
Amortisation of intangible assets	(7,068)	(8,258)	-	-
Operating expenses	(218,690)	(177,130)	(2,690)	(2,251)
<b>Operating profit</b>	<b>157,518</b>	<b>166,920</b>	<b>19,483</b>	<b>13,053</b>
Share of (loss)/profit of associates	175	(258)	-	-
<b>Profit before tax</b>	<b>157,693</b>	<b>166,662</b>	<b>19,483</b>	<b>13,053</b>
Income tax expense	(21,590)	(15,515)	(23)	(5)
<b>PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>136,103</b>	<b>151,147</b>	<b>19,460</b>	<b>13,048</b>
<b>Discontinued operations</b>				
(Loss)/profit for the year from discontinued operations	(138)	(68)	-	-
<b>PROFIT FOR THE YEAR</b>	<b>135,965</b>	<b>151,079</b>	<b>19,460</b>	<b>13,048</b>
<b>Profit attributable to:</b>				
Owners of the parent	134,195	149,709	19,460	13,048
Non-controlling interests	1,770	1,370	-	-
	<b>135,965</b>	<b>151,079</b>	<b>19,460</b>	<b>13,048</b>
<b>Earnings per share for profit attributable to owners of the parent</b>				
Basic/diluted earnings per share (in Naira):				
From continuing operations	3.74	4.17	0.54	0.36
From discontinued operations	(0.00)	(0.00)	-	-
From profit for the year	<b>3.74</b>	<b>4.17</b>	<b>0.54</b>	<b>0.36</b>

**- 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 7,957 staff has 825 business locations (595 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.

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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.*