



NGX: FBNH

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**FBN HOLDINGS PLC GROWS PROFIT BEFORE TAX BY 45% TO ₦66 BILLION
FOR THE HALF YEAR ENDED JUNE 30, 2022**

FBN Holdings Plc. (“FBNH” or “FBNHoldings” or the “Group”) today announces its unaudited results for the half year ended June 30, 2022.

Selected Financial Summary

Income Statement

(₦ billion)	H1 2022	H1 2021	Δ%
Gross earnings	359.2	293.4*	+22.4%
Interest income	226.4	161.0	+40.6%
Net-interest income	152.9	103.8	+47.3%
Non-interest income ¹	120.6	120.9*	-0.2%
Operating income ²	273.5	224.7*	+21.7%
Impairment charges for losses	21.7	26.7*	-18.7%
Operating expenses	186.0	152.6	+21.9%
Profit before tax	65.7	45.2	+45.3%
Profit for the period ³	56.5	38.1	+48.6%
Basic EPS (kobo) ⁴	155	105	+48.0%

Statement of Financial Position

(₦ billion)	H1 2022	FY 2021	Δ%
Total assets	9,525.9	8,932.4	+6.6%
Customer loans & advances (Net)	3,381.1	2,881.9	+17.3%
Customer deposits	6,302.9	5,849.5	+7.8%

Key Ratios %	H1 2022	H1 2021
Post-tax return on average equity ⁵	12.8	9.9
Post-tax return on average assets ⁶	1.2	1.0
Earnings yield ⁷	7.5	6.8
Net-interest margin ⁸	5.1	4.4
Cost of funds ⁹	1.9	1.8
Non-interest revenue/operating income	44.1	53.8
Cost to income ¹⁰	68.0	67.9
Gross loans to deposits	55.9	51.7
Capital adequacy (FirstBank (Nigeria))	16.0	15.7
Capital adequacy (FBNQuest Merchant Bank)	15.9	21.4
NPL/Gross Loans	5.4	7.2
NPL coverage ¹¹	74.1	53.3
PPOP ¹² /impairment charge (times)	4.1	2.7
Cost of risk ¹³	1.3	2.2
Book value per share	24.7	21.5

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 period includes discontinued operations

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

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 (Less financial assets at fair value through profit and loss plus unlisted debts).

⁸ 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)

⁹ Cost of funds computed as annualised 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 annualised credit impairment charges divided by the average opening and closing gross loans balances.

* Restated

Nnamdi Okonkwo, the Group Managing Director commented:

“FBNHoldings continues to demonstrate resilient performance despite the challenging operating environment with an impressive improvement in revenue and profitability. For the half year 2022, gross earnings and profit before tax grew by 22% y-o-y and 45% y-o-y to ₦359.2 billion and ₦65.7 billion respectively. Furthermore, we continue to see good progress across our performance metrics, which remain in line with our focus on driving sustainable growth.

The Group remains committed in its transformation drive, which has resulted in stronger balance sheet and better asset quality with non-performing loans closing at 5.4% at H1 2022. Similarly, risk management capability remains robust across the Group supporting the drive for enhanced earnings for sustainable capital accretion. During the period, cost to income ratio remained flat y-o-y despite the inflationary and currency pressure, as we continue to focus on optimising overall efficiency.

Our strategic intent remains unchanged in optimising opportunities that drive growth in revenue, profitability, capital accretion and overall operational efficiency that delivers sustainable value to our stakeholders.”

Business Groups ^{14, 15}

Commercial Banking

- Gross earnings of ₦338.5 billion, up 22.6% y-o-y (Jun 2021: ₦276.1 billion*)
- Net interest income of ₦152.9 billion, up 49.3% y-o-y (Jun 2021: ₦102.4 billion)
- Non-interest income of ₦108.8 billion, down 2.4% y-o-y (Jun 2021: ₦111.5 billion*)
- Operating expenses of ₦178.8 billion, up 23.1% y-o-y (Jun 2021: ₦145.3 billion)
- Profit before tax of ₦60.0 billion, up 40.0% y-o-y (Jun 2021: ₦42.9 billion)
- Profit after tax of ₦53.3 billion, up 42.3% y-o-y (Jun 2021: ₦37.4 billion)
- Total assets of ₦9.1 trillion, up 6.7% y-t-d (Dec 2021: ₦8.5 trillion)
- Customers’ loans and advances (net) of ₦3.3 trillion, up 17.0% y-t-d (Dec 2021: ₦2.8 trillion)
- Customers’ deposits of ₦6.1 trillion, up 8.4% 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:

“Amidst a challenging operating and dynamic regulatory environment in H1 2022, the Commercial Banking Group remained focused on executing key initiatives to position the Group for improved profitability in FY2022. Our half-year results further reinforced our drive towards our ‘Quantum Profitability Leap’ agenda. Our gross earnings are up 22.6% y-o-y to ₦338.5 billion and net interest income up 49.3 % y-o-y to ₦152.9 billion respectively. On the back of the impressive growth recorded in our top line, our profit before tax recorded a strong growth of 40.0% y-o-y to ₦60.0 billion, whilst profit after tax also grew by 42.3% y-o-y to ₦53.3 billion as the Bank continues to reap the dividends of the successful restructuring of our balance sheet and revamping of our risk management architecture. We continue to record progress in driving down our non-performing loan ratio which now stands at 5.4% at the end of H1 and we are on target to bring it within regulatory limit of 5% by end of FY2022.

As we go into the second half of 2022, I am confident that the Commercial Banking Group will sustain the current momentum of generating impressive returns from the quality risk assets portfolio already created, whilst optimising

¹⁴ Please refer to the ‘Notes to Editors’ section on page 7 for the companies in each business group

¹⁵ The pre-consolidation numbers of each of the business groups have been considered in discussing their performance

* Restated

its balance sheet given changing macro-economic conditions. Furthermore, we will continue to strengthen our dominant digital banking capabilities in providing best-in-class services to all segments of our customers across all our footprints in sub-Saharan Africa and beyond.”

Merchant Banking & Asset Management (MBAM) / FBNQuest

- Gross earnings of ₦22.0 billion, up 19.8% y-o-y (Jun 2021: ₦18.3 billion)
- Profit before tax of ₦7.1 billion, up 44.8% y-o-y (Jun 2021: ₦4.9 billion)
- Total assets of ₦414.2 billion, up 7.4% y-t-d (Dec 2021: ₦385.5 billion)

– ENDS –

Unaudited H1 2022 Financial Statements

Please [click here](#) to view the unaudited H1 2022 financial statements on our website.

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FBN Holdings Plc.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30 June 2022 N 'million	31 December 2021 N 'million	30 June 2022 N 'million	31 December 2021 N 'million
ASSETS				
Cash and balances with central banks	1,643,034	1,586,769	-	-
Loans and advances to banks	1,009,220	1,015,122	15,298	16,477
Loans and advances to customers	3,381,149	2,881,916	38	49
Financial assets at fair value through profit or loss	410,953	351,146	1,337	1,337
Investment securities	2,164,050	1,957,478	4,143	4,210
Asset pledged as collateral	528,085	718,662	-	-
Other assets	194,321	218,638	631	13,344
Investment in associates	855	1,009	-	-
Investment in subsidiaries	-	-	262,671	262,671
Property and equipment	113,793	115,987	524	397
Intangible assets	15,407	19,018	-	-
Deferred tax assets	27,224	28,710	-	-
	9,488,091	8,894,455	284,642	298,485
Assets held for sale	37,776	37,918	-	-
Total assets	9,525,867	8,932,373	284,642	298,485
LIABILITIES				
Deposits from banks	1,021,847	1,098,107	-	-
Deposits from customers	6,302,857	5,849,487	-	-
Derivative liabilities	28,392	19,648	-	-
Current income tax liabilities	18,812	17,741	8	7
Other liabilities	730,454	654,350	15,585	16,192
Borrowings	529,285	405,304	-	-
Retirement benefit obligations	5,052	5,392	-	-
Deferred tax liabilities	371	366	-	-
	8,637,070	8,050,395	15,593	16,199
Liabilities held for sale	2,054	2,122	-	-
Total liabilities	8,639,124	8,052,517	15,593	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	354,278	311,877	19,244	32,494
Statutory reserve	136,775	135,372	-	-
Capital reserve	1,223	1,223	10	10
SME investment reserve	6,076	6,076	-	-
Fair value reserve	71,727	87,964	(1,545)	(1,558)
Regulatory risk reserve	2,880	3,240	-	-
Foreign currency translation reserve	51,282	72,359	-	-
	875,581	869,451	269,049	282,286
Non-controlling interests	11,162	10,405	-	-
Total equity	886,743	879,856	269,049	282,286
Total equity and liabilities	9,525,867	8,932,373	284,642	298,485

FBN Holdings Plc.**INCOME STATEMENT**

	GROUP			
	Q2 ended 30 June 2022 N 'million	Year to date 30 June 2022 N 'million	Q2 ended 30 June 2021 N 'million	Year to date 30 June 2021 N 'million
Continuing operations				
Interest income	116,905	226,353	82,661	161,018
Interest expense	(36,789)	(73,441)	(31,631)	(57,195)
Net interest income	80,116	152,912	51,030	103,823
Impairment charge for losses	(10,420)	(21,711)	(13,539)	(26,714)
Net interest income after impairment charge for losses	69,696	131,201	37,491	77,109
Fee and commission income	36,983	70,693	35,050	69,077
Fee and commission expense	(5,936)	(12,323)	(6,104)	(11,704)
Net fee and commission income	31,047	58,370	28,946	57,373
Foreign exchange income/(loss)	10,764	16,510	(2,209)	472
Net gains on sale investment securities	7,819	22,408	3,550	21,414
Net (losses)/gains from financial instruments at FVTPL	(3,524)	11,271	19,309	22,428
Dividend income	2,807	2,891	1,877	1,903
Other operating income	4,456	9,179	16,773	17,274
Personnel expenses	(29,692)	(55,308)	(26,432)	(51,238)
Depreciation, amortisation and impairment	(6,632)	(13,886)	(6,814)	(13,324)
Other operating expenses	(57,454)	(116,759)	(45,996)	(88,011)
Operating profit	29,287	65,877	26,495	45,400
Share of loss of associates	(82)	(154)	(163)	(163)
Profit before tax	29,205	65,723	26,332	45,237
Income tax expense	(5,045)	(9,121)	(3,863)	(7,148)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	24,160	56,602	22,469	38,089
Discontinued operations				
Loss for the period from discontinued operations	(25)	(66)	(23)	(44)
PROFIT FOR THE PERIOD	24,135	56,536	22,446	38,045
Profit attributable to:				
Owners of the parent	23,837	55,779	22,163	37,682
Non-controlling interests	298	757	283	363
	24,135	56,536	22,446	38,045
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		1.55		1.05
From discontinued operations		(0.00)		(0.00)
From profit for the period		1.55		1.05

FBN Holdings Plc.

INCOME STATEMENT

	COMPANY			
	Q2 ended 30 June 2022 N 'million	Year to date 30 June 2022 N 'million	Q2 ended 30 June 2021 N 'million	Year to date 30 June 2021 N 'million
Continuing operations				
Interest income	427	872	326	587
Interest expense	-	-	(1)	(1)
Net interest income	427	872	325	586
Impairment charge for losses	-	-	-	-
Net interest income after impairment charge for losses	427	872	325	586
Fee and commission income	-	-	-	-
Fee and commission expense	-	-	-	-
Foreign exchange income/(loss)	6	(2)	2	11
Net losses from financial instruments at FVTPL	-	-	(529)	(529)
Dividend income	(108)	(108)	(245)	(245)
Other operating income	-	-	-	-
Personnel expenses	(213)	(377)	(172)	(361)
Depreciation, amortisation and impairment	(52)	(104)	(47)	(99)
Other operating expenses	(609)	(966)	(507)	(889)
Loss before tax	(549)	(685)	(1,173)	(1,526)
Income tax expense	-	(2)	(2)	(3)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(549)	(687)	(1,175)	(1,529)
Discontinued operations				
Profit for the period from discontinued operations	-	-	-	-
LOSS FOR THE PERIOD	(549)	(687)	(1,175)	(1,529)
Loss attributable to:				
Owners of the parent	(549)	(687)	(1,175)	(1,529)
Non-controlling interests	-	-	-	-
	(549)	(687)	(1,175)	(1,529)
Earnings per share attributable to owners of the parent				
Basic/diluted earnings per share (expressed in naira per share):				
From continuing operations		(0.02)		(0.04)
From discontinued operations		-		-
From profit for the period		(0.02)		(0.04)

- 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, Trusteeship¹⁶ as well as Insurance brokerage. The Group, with about 8,413 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 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 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 diverse advisory, funding and investment needs of clients spanning Federal and State Governments, corporates and high-net-worth individuals (HNIs).

¹⁶ 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 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.