

First City Monument Bank, Plc Reports 167% Increase In Profit After Tax To \$US 125 Million Lagos, Nigeria – 28 August 2008

First City Monument Bank (Bloomberg: FCMB NL) a Nigerian universal bank focused on investment banking, consumer and transaction banking, on 26 August 2008 reported record audited results for the year ended 30 April 2008.

Commenting on the results, Ladi Balogun, Group Managing Director of First City Monument Bank, said:

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“We are pleased to report solid growth across all business lines. We remain confident in achieving our goal of becoming the market leader in investment banking, consumer banking and transaction banking through our focused strategy and continued commitment to all of our loyal stakeholders. Our business model continues to deliver consistently higher margins, superior growth rates and increasingly diversified revenue streams, evidenced by less reliance on net interest income, with 52% of revenues coming from non-interest income.

Progress in consumer banking which we forecast will contribute around 25% of the bank’s net income within the next four years, has been in line with expectations and we aim for it to breakeven after considerable investment by the end of this year. Meanwhile we have also invested significantly in technology for our core transaction banking platform which will underpin a step-change in revenues from the current financial year. “

Financial Highlights

- Profit After Tax of \$US 124.9 million, an increase of 167% (\$US46.8 Apr 07)
- Net Interest Income of \$US173.3 million, an increase of 130% (\$US75.4mn Apr 07)
- Total Assets up 93% to \$US4 billion (\$US 2.07 bn Apr 07)
- Customer deposits rise 45% to \$US2.1 billion (\$US1.5 bn Apr 07)
- Improvement in Cost/income ratio to 45.7% (54.4% Apr 07)
- Shareholders’ funds up 366% to \$US1.1 billion (\$US246 mn Apr 07)
- Basic EPS up 115% to 135 kobo (63 kobo Apr 07)
- Annualized Return on Equity of 18%

Strong growth across all segments

- Revenue in corporate and investment banking was \$US135.8 million and net assets were \$US522.8 million. Profit before tax for the period was \$US 77.1 million driven by our leading position in capital market activities, structured debt and hybrid capital financing.
- Revenue in commercial banking was \$US162.9 million and net assets were \$US163.2 million. Profit before tax for the period was to \$US54.2 million.

- Revenue in our nascent consumer banking business was \$US42.9 million and net assets were \$US86.4 million. Profit before tax for the period was a loss of \$US4.2 million, in line with forecast and on track for breakeven.
- Revenue in treasury & financial institutions was \$US95 million and net assets were \$US351 million. Profit before tax for the period was to \$US42.5 million.

Operational Highlights of the financial year ended April 30th 2008

- Successful capital raising of over \$US800 million in November 2007 which was 80% oversubscribed and concluded within three months. International investors accounted for 20% of subscriptions while the bank now has a diverse shareholder base of over 170,000 investors.
- Tier 1 capital is now in excess of \$US1 billion. Market Capitalisation growth from \$US316 million to a peak of \$US2.6 billion within the past two years.
- Diversification of funding base; N12 billion of Naira-denominated debt raised through HSBC and US\$30 million through IFC facility.
- Successful launch of consumer banking business, investing over \$US160 million in the last two years in distribution, infrastructure, technology, human capital and working capital.
- Launch of central processing system which is set to further improve the Bank's cost / income ratio (45.7% Apr 08)
- Continued expansion of the distribution network; branches increased from 120 to 140 during the financial year, 76 new ATMs were deployed and in excess of 1,000 sales agents are now employed.
- Focused strategy, good profitability, robust capital levels, investment banking strength and experienced management team lead to S&P awarding the Bank a B+/B long term, short term counter party rating.