



## Earnings Update: FBN Holdings PLC. (Ticker: FBNH)

### *Outstanding Performance Despite Challenging Business Environment*

#### THINGS WE LIKE ABOUT THE RESULT

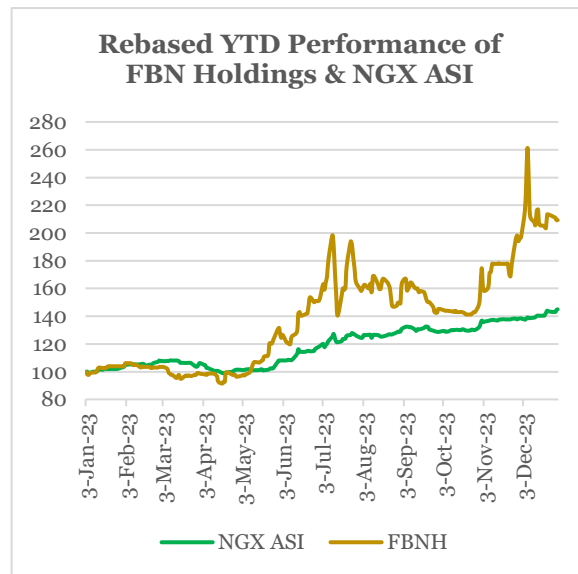
- Growth in interest income by 66.3% year-on-year (y/y) to N918 billion in FY-2023 from the N552.4 billion in FY-2022.
- Increase in fee and commission income by 42.3% to N205 billion from N144 billion in FY-2022.
- The surge in net gains from financial instruments from N39 billion in FY-2022 to N681 billion in FY-2023.
- Growth in dividend income by 95.6%/y.
- Impressive bottom line as Profit Before Tax and Profit After Tax both increased by 129.4% and 127.4% respectively compared to their performance in the year 2022.
- 128.9% growth in earnings per share of N8.56 from N3.74 in FY-2022.

#### THINGS WE DID NOT LIKE ABOUT THE RESULT

- Interest expense grew to as high as 105.5%/y.
- Foreign exchange loss grew by over 1000%.
- The 26.4%/y decline in other operating income.

#### Fiscal Year End: December

TICKER	FBNH
Price (₦) as at 31 <sup>st</sup> January 2024	21.70
Shares Outstanding	35,895,292,792
Exit Price (₦)	23.85
Entry Price (₦)	28.00
Expected Return(%)	17.4%
Rating	<b>Buy</b>

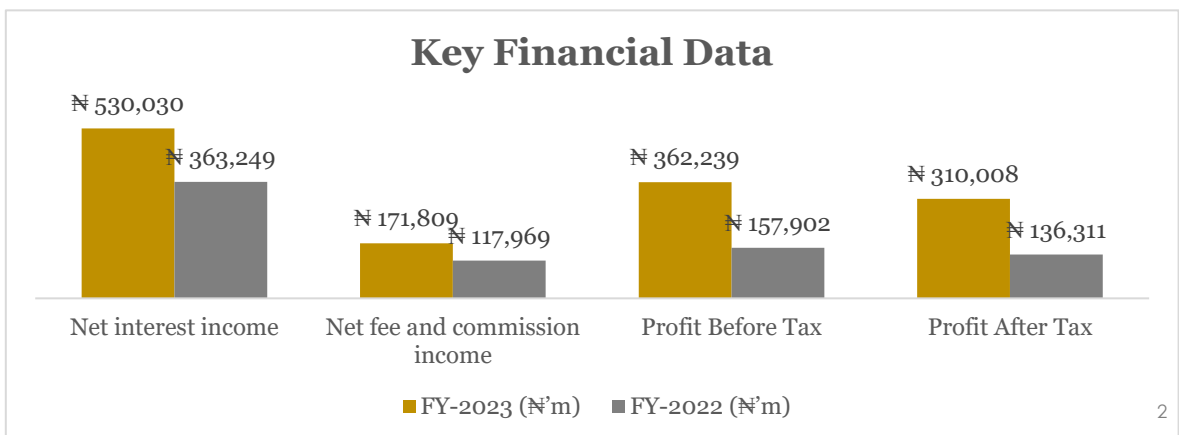


Source: investing.com, Parthian Securities Research

Kindly click [here](#) for the full financial statement.



<b>INCOME STATEMENT</b>	<b>FY-2023 (₹'m)</b>	<b>FY-2022 (₹'m)</b>	<b>Change (%)</b>
Interest income	917,708	551,937	66.27%
Interest expense	(387,678)	(188,688)	105.46%
Net interest income	530,030	363,249	45.91%
Impairment charge for losses	(200,440)	(68,619)	192.11%
Net interest income after impairment charge for losses	329,590	294,630	11.87%
Fee and commission income	204,903	143,981	42.31%
Fee and commission expense	(33,094)	(26,012)	27.23%
Net fee and commission income	171,809	117,969	45.64%
Foreign exchange income/ (loss)	(350,315)	22,392	-1664.46%
Net gains on sale of investment securities	41,154	22,425	83.52%
Net gains/(loss) from financial instruments at FVTPL	681,239	38,648	1662.68%
Dividend income	6,195	3,166	95.67%
Other operating income	16,483	22,404	-26.43%
Personnel expenses	(173,889)	(117,376)	48.15%
Depreciation, amortisation and impairment	(34,706)	(28,050)	23.73%
Other operating expenses	(325,746)	(218,481)	49.10%
Operating profit	361,814	157,727	129.39%
Share of profit/(loss) of associates	425	175	142.86%
Profit before tax	362,239	157,902	129.41%
Income tax expense	(52,231)	(21,591)	141.91%
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>310,008</b>	<b>136,311</b>	<b>127.43%</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>FY-2023 (₹'m)</b>	<b>FY-2022 (₹'m)</b>	<b>Change (%)</b>
Cash and balances with central banks	2,571,224	1,790,863	43.57%
Loans and advances to banks	1,958,646	1,223,061	60.14%
Loans and advances to customers	6,363,751	3,789,061	67.95%
Financial assets at fair value through profit or loss	797,264	278,466	186.31%
Investment securities	3,051,893	2,321,885	31.44%
Asset pledged as collateral	1,160,074	595,171	94.91%
Other assets	714,294	373,130	91.43%
Property and equipment	158,288	125,167	26.46%
Intangible assets	32,870	15,859	107.26%
Assets held for sale	33,230	32,953	0.84%
<b>Total assets</b>	<b>16,896,094</b>	<b>10,577,710</b>	<b>59.73%</b>
<b>Total Liabilities</b>	<b>15,196,618</b>	<b>9,581,969</b>	<b>58.60%</b>
<b>Total equity</b>	<b>1,699,476</b>	<b>995,741</b>	<b>70.67%</b>
<b>Total Liabilities and Equity</b>	<b>16,896,094</b>	<b>10,577,710</b>	<b>59.73%</b>
<b>STATEMENT OF CASHFLOW</b>	<b>FY-2023 (₹'m)</b>	<b>FY-2022 (₹'m)</b>	<b>Change (%)</b>
Net cash used in operating activities	1,244,111	467,775	165.96%
Net cash used in investing activities	(769,858)	(293,146)	162.62%
Net cash used in financing activities	(146,693)	226,904	-164.65%





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