

FCMB nearly doubled its profit. Each share got 14% more.

Pre-tax profit rose 98.8% to ₦157.3bn. Earnings per share rose 14.3%. In the second quarter alone, per-share earnings fell. The gap is the ₦237.9bn of new shares the bank sold.

Profit growth, measured two ways

Pre-tax profit, against the same half last year



+98.8%

Earnings per share — what each share actually earned



+14.3%

The bank earned ₦157.3bn before tax against ₦79.1bn a year earlier. But there are far more shares sharing it. Share capital went from ₦21.4bn to ₦33.0bn and share premium from ₦267.6bn to ₦483.0bn.

How does FCMB actually make money?

FCMB Group is a holding company with seven subsidiaries — a commercial bank, a microfinance bank, a pensions manager, a stockbroker, a trustee business, a capital markets arm and a consumer lender. Most of the money comes from the bank.

A bank earns interest on what it lends and pays interest on what it holds. The difference is the business. This half, FCMB earned ₦600.5bn in interest and paid ₦244.2bn — less than the ₦251.0bn it paid a year ago, on a much larger balance sheet.

THE BIG NUMBER

₦237.9bn

Raised by selling new shares in six months. That is the whole story.

The half year in six numbers

Gross earnings	₦676.2bn	up 27.8% on H1 2025
Net interest income	₦356.3bn	up 71.8%
Profit before tax	₦157.3bn	up 98.8%
Earnings per share	₦4.23	up 14.3%, from ₦3.70
Impairment charge	₦85.9bn	up 137%, from ₦36.2bn
Total equity	₦1.17trn	up 40.4% since December

Where did every ₦100 the bank earned go?

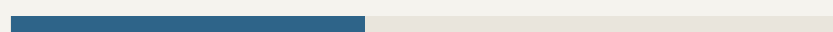
Gross earnings rescaled so the total equals ₦100 — interest, fees, trading and other income, as the filing defines them.

Paying depositors and lenders **₦36.11**



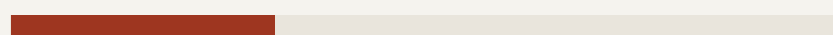
₦244.2bn — less than the ₦251.0bn paid a year ago

Running the bank **₦17.04**



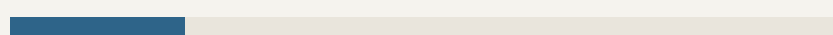
Branches, technology, regulatory costs, depreciation

Loans expected to go bad **₦12.71**



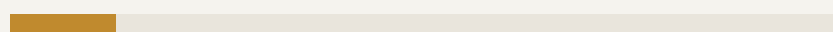
Against ₦6.84 of every ₦100 a year earlier

Staff **₦8.40**



₦56.8bn in salaries and benefits across the group

Tax and other costs **₦5.06**



An effective tax rate of 11.1%, up from 7.2%

Kept as profit **₦20.68**



₦139.9bn — up from ₦13.87 of every ₦100

Derived from the statement of profit or loss, page 1. Bars are scaled to ₦40, not ₦100, so the smaller lines stay readable. Fee expenses and ₦8.9bn of losses on other items are folded into tax and other costs.

WHAT TO NOTICE

The bank kept ₦20.68 of every ₦100 this half against ₦13.87 last year — and it did that while setting aside almost twice as much for loans that may never be repaid.

What changed since last year?

The bank swapped expensive money for cheap money

Money borrowed from other banks fell from ₦1.01trn to ₦607.9bn, a drop of 39.8%. Over the same six months, deposits from ordinary customers rose from ₦4.42trn to ₦4.92trn. Interbank funding is the costly kind; customer deposits are the cheap kind. That swap is the most plausible reason interest expense fell while the balance sheet grew — though the filing does not say so.

The bad-loan charge more than doubled

The provision for loans expected to go bad rose from ₦36.2bn to ₦85.9bn. Almost all of it landed in the second quarter: ₦73.6bn of the total, against ₦26.7bn in the same quarter last year. No explanation appears in the statements.

Trading income collapsed

Net trading income fell from ₦22.2bn to ₦7.6bn, and other items swung from a ₦0.7bn gain to an ₦8.9bn loss. Roughly ₦24bn of income simply did not repeat — absorbed entirely by growth in lending.

Shareholders own a smaller fraction

Share capital rose from ₦21.4bn to ₦33.0bn and share premium from ₦267.6bn to ₦483.0bn, raising ₦237.9bn. Total equity climbed 40.4% to ₦1.17trn — the point of the exercise — but each existing share now represents less of the bank.

WHAT CAUGHT OUR ATTENTION

In the second quarter taken alone, profit rose 53.8% and earnings per share fell, from ₦4.17 to ₦3.84. That is the quarter the new shares landed.

The Scorecard

Each label comes from a fixed rule applied the same way to every company we cover. For banks the eighth category is cost of risk. We publish no single score out of 100.

Sales growth Gross earnings up 27.8% to ₦676.2bn	Strong
Making money on each sale Net interest income up 71.8% while interest expense fell 2.7%	Strong
Cost discipline Operating costs up 12.3% against gross earnings up 27.8%	Strong
Cash generation ₦632.3bn from operations, down from ₦961.7bn a year earlier	Steady
Balance sheet Total equity up 40.4% to ₦1.17trn after a ₦237.9bn share issue	Strong
Return to shareholders Dividend up 5.5%, but earnings per share up only 14.3%	Watch
Tax burden Effective rate 11.1%, up from 7.2%	Steady
Cost of risk Impairment up 137%; 12.7% of gross earnings against 6.8%	Watch

HOW TO READ THIS

Strong means the measure improved materially against the same period last year. Steady means it held. Watch means it moved against shareholders, or moved without explanation. Cost of risk is impairment as a share of gross earnings — the same test we will apply to every bank.

Finance speak, human speak

Five phrases from this filing, in plain words.

Gross earnings

Everything a bank brought in before any costs — interest on loans, fees on accounts and transactions, gains on trading, and sundry income. It is the banking equivalent of a manufacturer's revenue. FCMB's was ₦676.2bn.

Net interest income

What the bank earned on money it lent, minus what it paid on money it held or borrowed. The core of banking profit. FCMB's rose 71.8% — because interest earned went up 31% while interest paid went down.

Impairment charge

Money set aside for loans the bank expects will not be repaid in full. It is an estimate, not a loss that has happened yet. It can rise because borrowers are struggling, or because the bank has chosen to be more cautious. FCMB's doubled to ₦85.9bn and the filing does not say which.

Dilution

What happens to your stake when a company issues new shares. The business may be worth more afterwards, but your slice of it is thinner. FCMB's profit rose 98.8% while earnings per share rose 14.3% — that gap is dilution.

Recapitalisation

The Central Bank of Nigeria raised the minimum capital every bank must hold, so all of them are raising money. It makes banks safer and existing shareholdings smaller at the same time. Every bank reporting this year will show some version of the FCMB pattern.

The Bottom Line

FCMB ran its core business better this half than it has in years. It lent more, paid less for the money it lent, and kept its costs from following its income upward.

Its shareholders own a smaller fraction of that improved bank than they did in January, and in the second quarter each share earned less than a year earlier. Whether the ₦237.9bn raised justifies the dilution is a question the next several filings answer, not this one.

THREE QUESTIONS FOR THE NEXT FILING

- Does the impairment charge settle back, or is ₦85.9bn the new run rate?
- What is the bank earning on the ₦237.9bn it raised?
- Does the cheaper funding mix hold once deposit competition returns?

Every figure in this report is taken from FCMB Group Plc's interim unaudited financial statements for the period ended 30 June 2026, approved by the Board on 24 July 2026 and filed with the Nigerian Exchange. Figures we calculated ourselves are labelled derived. Where we explain why something happened and the company published no commentary, we say so.

Before publishing we checked the filing's arithmetic: the operating result reconciles down the column; assets equal liabilities plus equity; opening cash plus movements equals closing cash; the statement of changes in equity reconciles exactly. One item does not tie: the cash flow statement closes at ₦1,546,422,781 thousand while the balance sheet shows ₦1,545,731,897 thousand, a difference of about ₦690.9m that the filing does not reconcile.

By Betini Udom. An explanation of a public filing, not investment advice. therainingmoney.com