

ABUJA, 6th FEBRUARY 2018

**FORTIS MICROFINANCE BANK PLC:
PUBLIC STATEMENT ON RECENT DEVELOPMENTS**

Consequent upon the inability of Fortis Microfinance Bank Plc ("Fortis" or "the Bank") to submit our year end 31 December 2016 audited financial statements to The Nigerian Stock Exchange ("NSE" or "The Exchange") when due, as required by the applicable provisions, the shares of the Bank were suspended from being traded on the floor of The Exchange. Suffice to say, however, that the non-remission of statements to The Exchange within the material period was chiefly attributable to the fact that, as a banking institution, the statements of Fortis had to be submitted to the apex bank prior to being released for any purpose.

The technical suspension of Fortis' shares from the trading floor of The Exchange set off a chain reaction that culminated in several unintended outcomes, the most significant being the panic withdrawals of deposits it triggered. This was because the announcement was largely misconceived, misinterpreted and misunderstood as a revocation of the Bank's operating license. Although The Exchange lifted the suspension on 15th September 2017, after the Bank submitted the financial statements and met other conditions for the lifting as required by The Exchange, it was impossible to change the mindset of majority of depositors within such a very short time. The Bank is addressing these challenges.

In the third quarter of 2017, just as Fortis was on the cusp of migrating to a more versatile and robust Core Banking Application, several accounting anomalies were unearthed that had to be immediately brought to the attention of the Bank's primary Regulator, the Central Bank of Nigeria. Due to the observed accounting irregularities, **previous financials filed with regulatory authorities and released to the public may have been impacted and may have to be restated where necessary.**

With the approval and guidance of the CBN, Fortis is currently engaged in a far-reaching house cleaning exercise which at the end will culminate in the emergence of a leaner, healthier bank set apart by a renewed emphasis on professionalism and adherence to international best ethical standards.

Moreover, in furtherance of the process of enshrining good corporate governance, the Bank recently identified three qualified individuals with considerable experience to join the Board as independent directors who have no previous existing relationship with

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Fortis in any way, shape or form. These individuals will be presented to the shareholders for their approval at the next Annual General Meeting of the Bank, which is expected to hold during the first quarter of 2018. If approved, the addition of these individuals to the Board will enhance the Board's capacity to perform its oversight functions and enhance the workings of various critical board committees.

Furthermore, negotiations are ongoing with the Bank's group of foreign lenders to grant the Bank much needed respite through the restructuring of existing facilities. Discussions are also at an advanced stage to engage a reputable firm of turnaround experts working in concert with a revitalized Management team to quickly restore the Bank on the path of sustainability and profitability, through the adoption of a revised business model and rejigging of the existing Five-Year Strategic Plan.

The Bank has released this statement in furtherance of its disclosure obligations for the benefit of the investing public and other stakeholders. The Bank shall provide updates at appropriate intervals. At an appropriate time, the Bank shall also seek to address the market through the facilities of the NSE.

The Board and Management of the Bank wish to express our heartfelt gratitude to the bank regulators for the unwavering support they immediately provided – and continue to provide – the Bank. We hereby assure the investing public that the contemplated changes at the Board, Management and business foci can only produce a new and improved Fortis that will continue to take its rightful place in the comity of sub-Saharan purveyors of Financial Inclusion.

Thank you


Tiko Okoye
Managing Director/CEO

This Press release is also available on our website www.fortismfb.com