FIRST CITY MONUMENT BANK PLC

A MEMBER OF FIRST CITY GROUP

Investor & Analyst Presentation
Review of HY 2010 Results

Lagos

2 August 2010

Outline

- FCMB: Overview of Operating Environment
- FCMB: Strategy Review (June 2010)
- FCMB: Financial Performance Review (June 2010)
- FCMB: Risk Management Report
- FCMB: Outlook

Overview of the Operating Environment

	2007	2008	2009	2010F
Real GDP growth (%)	6.5	6.0	6.7	7.4
GDP per head (US$)	1,147	1,369	1,282	1,528
Inflation (%; y/y Dec)	6.6	15.1	12.0	8.5
Private-sector credit (% chg; y/y Dec)	90.8	59.4	59.6	18.0
Oil price (US$/b; Bonny Light average)	74	101	64	80
Current account/GDP (in per cent)	11.8	20.7	2.5	9.1
Official fx reserves (in US$ bn)	51	53	42	35
N/US$ (end-period)	117.9	139.7	149.5	152.0
N/US$ (average)	125.8	119.0	150.4	151.0
NSE All Share Index (end-year)	57,990	31,451	20,827	31,000

Sources: CBN; NBS; IMF. CSL Research (for forecasts)

- Limited private sector credit growth (linked to resolution of banking crisis);
- Stable exchange rate;
- Inflation trending downwards towards single figure digits;
- NSE Index is recovering;
- Reform agenda is gaining momentum;
- Relative political stability and credibility of cabinet being restored.

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FCMB – *Summary of Strategic Focus*

- Vision: Premier Financial Service Group of African Origin (focus on quality and efficiency)
- Focus on retail finance, transaction banking and investment banking: 3 profitable niches in a competitive commercial banking dominated market
- Investment banking remains our biggest differentiator in wholesale bank
- Transaction banking (& payments) platform is becoming a key source of stable annuity income in both wholesale and retail space
- Consumer finance remains our biggest advantage in retail space
- Value proposition revolving around improving customer intimacy and operational excellence
- Technology Advantage

- Diversified Offerings/Revenue Streams
- High Growth Potential
- Efficient Model: Traditionally good CIR and ROA will return by 2011

FCMB: *5-Year Strategic Goal*

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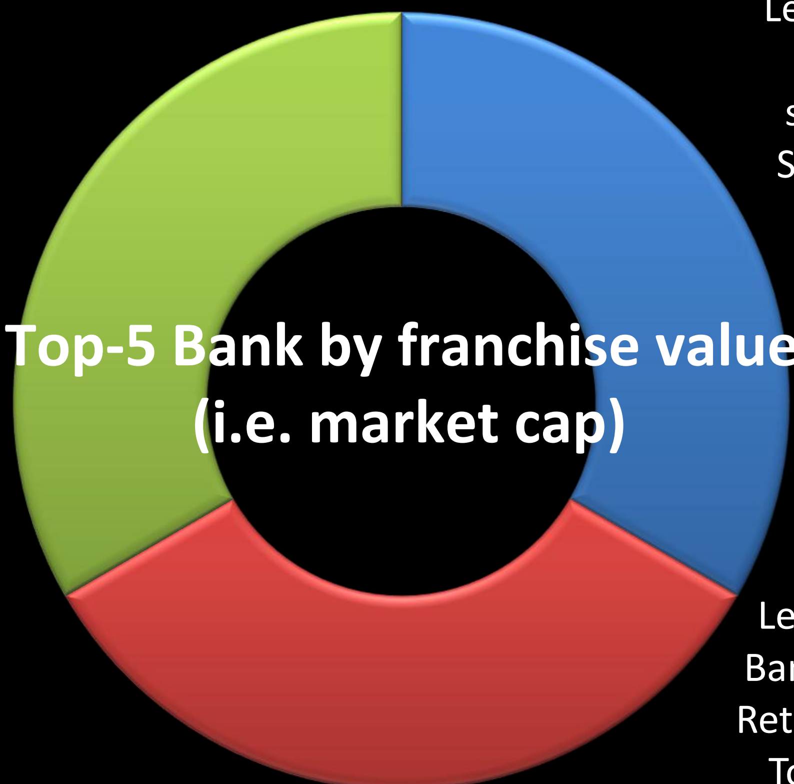
Our 5-year strategic goal is to be a top-5 bank by franchise value (market cap) by 2015

Leader in Transaction Banking (No 1. in Technology-enabled Cash Mgmt & Top-5 in total Transaction Banking Revenues)



Leader in Investment Banking - No 1. status in Advisory, Sales & Trading and Capital Raising

Leader in Retail Banking (No. 1 in Retail Financing & Top-2 in Retail Banking Revenues)

FCMB: *Strategy Validation*

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Retail Finance

- Experienced Team
- Effective collections and underwriting process
- Consumer Finance/ Microlending success:
  - NPLs of 2%;
  - 86% net income growth from December 2009 to June 2010;
  - 79% volume growth from December 2009 to June 2010.
- Broadening focus towards SMEs.

Investment Banking

- Recognised as a leading investment bank;
- Contributed N0.992bn to net income in HYE June 2010;
- Developing capabilities in risk management products;
- Advisory remains a key cross-selling tool;
- Attractive income opportunities exist especially in sales and trading.

Transaction Banking

- Transaction Banking income in H1 2010 was about N11.8bn representing 4% of risk assets as at June 2010, Q/Q there was a 28% growth in Q2;
- STCF presents an estimated N800 billion asset opportunity;
- Key component of value proposition to corporate and institutional customers;
- Monthly payment volumes of N3bn via transaction banking platform. Fed and State Govt budget of N10 trillion and oil industry domestic budget of $18 billion per annum present significantly payment opportunity.

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CFO Statement & 2010 Priorities

“The Group showed improvement in its performance quarter-on-quarter. This was largely driven by recovery in our Net Interest Margins and growing momentum in non-interest income. In the second half of the financial year, the Group will remain focused on growing its balance sheet efficiently and re-allocating resources to its more profitable activities. Consequently we expect that the earnings run-rate will continue to grow rapidly in the remaining quarters of the year.”

Yemisi Edun, Chief Financial Officer

2010 Priorities

- Low-risk asset growth – 30% loan growth for the 2010 Financial Year
- Drive Non-Interest Income (transaction banking/ investment banking)
- Improve Cost Efficiency – target 70% Cost-to-Income Ratio by 31 December 2010
- Enhance Risk Management – target 7% NPL Ratio by the end of the year

Group Operating Results:
Income Statement Highlights:
HY10 vs. HY09 & Q2 vs. Q1 2010

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	2010 H1	2009 H1	GROWTH / (DECLINE)			2010 Q2	2010 Q1	GROWTH / (DECLINE)	
	N'000	N'000	N'000	%		N'000	N'000	N'000	%
Gross Earnings	29,761,173	38,523,717	-8,762,544	-23%		14,478,907	14,439,399	39,507	0.3%
Net Interest Income	9,053,280	16,185,511	-7,132,231	-44%		5,871,932	4,044,992	1,826,940	45%
Non interest Income	7,827,595	7,361,875	465,720	6%		3,787,325	3,176,626	610,699	19%
Operating Expenses	15,401,187	13,256,634	2,144,553	16%		7,741,156	7,660,031	81,124	1%
PBT	3,469,436	4,641,142	-1,171,706	-25%		2,340,399	1,129,036	1,211,363	107%
PAT	2,775,549	3,712,914	-937,365	-25%		1,872,319	903,229	969,090	107%
EPS	34k	46k	(12k)	-25%		46k	22k	24k	1%

Group Operating Results:
Balance Sheet Highlights
HY10 vs. HY09 & Q2 vs. Q1 2010

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	2010 H1	2009 H1	GROWTH / (DECLINE)		2010 Q2	2010 Q1	GROWTH / (DECLINE)	
	N'000	N'000	N'000	%	N'000	N'000	N'000	%
Loans and Advances	284,069,781	278,885,343	5,184,438	2%	284,069,781	280,729,677	3,340,104	1%
Deposits	288,003,221	178,024,912	109,978,309	62%	288,003,221	278,265,832	9,737,389	3%
Total Balance Sheet size	488,160,347	409,651,800	78,508,547	19%	488,160,347	476,221,548	11,938,799	3%

Group Summary Performance
Contribution by SBU: H1 2010

	PBT		REVENUE		EXPENSES	
	N'000	% CONTR	N'000	% CONTR	N'000	% CONTR
FCMB PLC	2,675,121	77.1%	27,353,451	91.9%	14,009,360	91.0%
FCMB CM	58,905	1.7%	233,824	0.8%	191,600	1.2%
CSLS	57,533	1.7%	468,369	1.6%	410,836	2.7%
CSRL	105,711	3.0%	298,804	1.0%	193,093	1.3%
FCAM	-54,220	-1.6%	25,077	0.1%	71,904	0.5%
FCMB UK	-169,377	-4.9%	65,558	0.2%	234,935	1.5%
CDL	795,763	22.9%	1,316,090	4.4%	289,459	1.9%
GROUP	3,469,435	100.0%	29,761,173	100.0%	15,401,187	100.0%

SBU Performance
Q1 vs. Q2 2010 & H1 2010 SBU Contribution

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Q1 vs. Q2 2010												
SBU (N'm)	PBT			DEPOSIT			RISK ASSETS			REVENUES		
	Q1	Q2	Growth %	Q1	Q2	Growth %	Q1	Q2	Growth %	Q1	Q2	Growth %
Investment Banking	425	568	34%	36,723	23,216	-37%	48,531	52,385	8%	1,613	2,629	63%
Corporate & Institutional Banking	1,742	2,765	59%	125,128	129,217	3%	199,470	199,672	0%	7,426	8,296	12%
Retail	-1,037	-992	4%	116,414	135,570	16%	32,728	32,012	-2%	5,400	4,396	-19%
	1,129	2,340	107%	278,266	288,003	3%	280,730	284,070	1%	14,439	15,322	6%

H1 2010 CONTRIBUTION	DEPOSIT		RISK ASSET		GROSS REVS		PBT	
SBU	Amount	% Contr.	Amount	% Contr.	Amount	% Contr.	Amount	% Contr.
Investment Banking	23,216	8%	52,385	19%	4,243	14%	992	29%
Corporate & Institutional Banking	129,217	45%	199,672	70%	15,722	53%	4,506	130%
Retail	135,570	47%	32,012	11%	9,797	33%	-2,029	-59%
TOTAL	**288,003**	**100%**	**284,070**	**100%**	**29,761**	**100%**	**3,469**	**100%**

Commentary on the Results of each SBU

•Retail contributed about 47% of the Group’s total deposit and 11% of loans;
•The Wholesale arm of the business continues to be the main stay in terms of profitability
The decline in Retail Banking Revenue in Q2 was as a result of crash in transfer pricing (30%) of their deposits (as they are net contributors of liabilities), however they are able to reduce their cost at a rate higher than this reduction hence a marginal reduction in the loss position in Q2;
•Corporate Banking is gradually beginning to gain momentum by resuming lending;
•Investment Banking experienced significant growth in revenue and profitability.

Financial Ratios:
Q1 vs. Q2 2010

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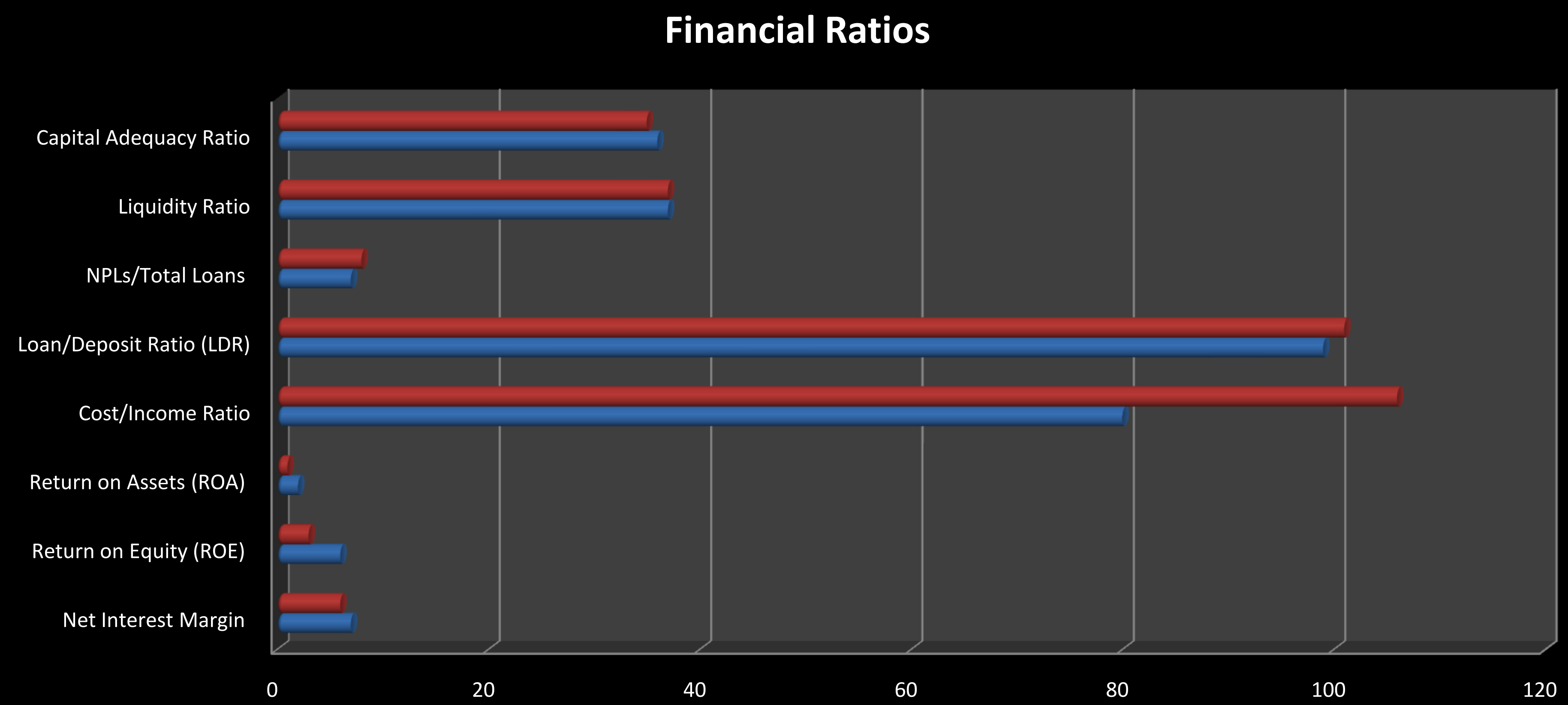

	Net Interest Margin	Return on Equity (ROE)	Return on Assets (ROA)	Cost/Income Ratio	Loan/Deposit Ratio (LDR)	NPLs/Total Loans	Liquidity Ratio	Capital Adequacy Ratio
Q1 2010	6	3	1	106	101	8	37	35
Q2 2010	7	6	2	80	99	7	37	36

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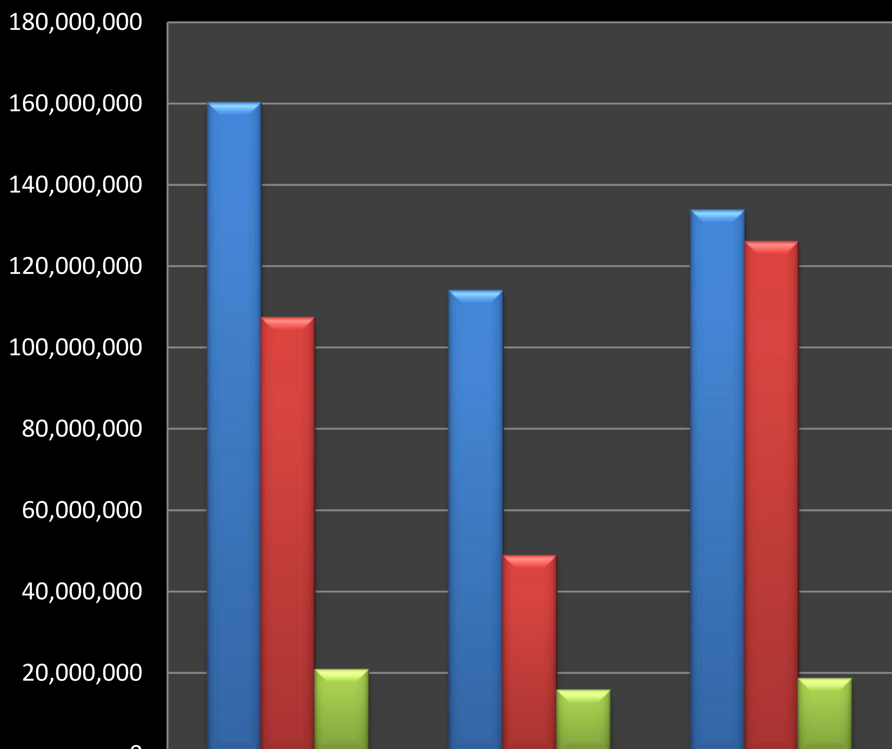
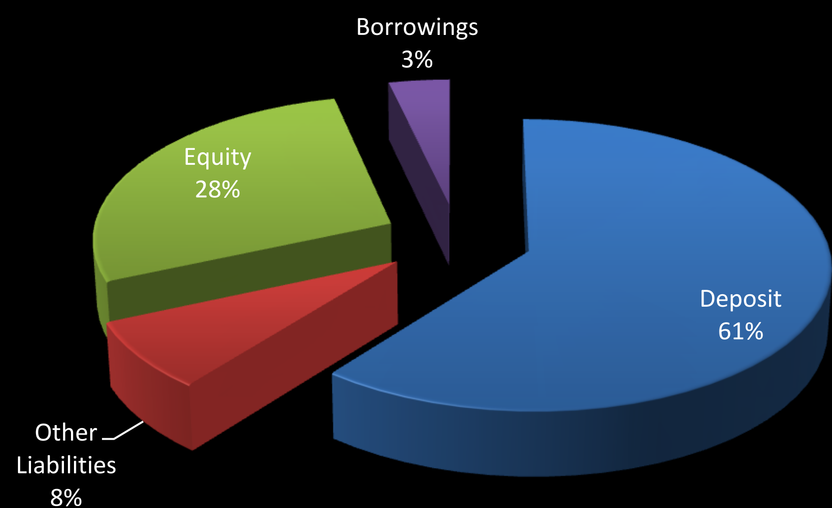
Funding Mix & Deposit Mix

Deposit Mix

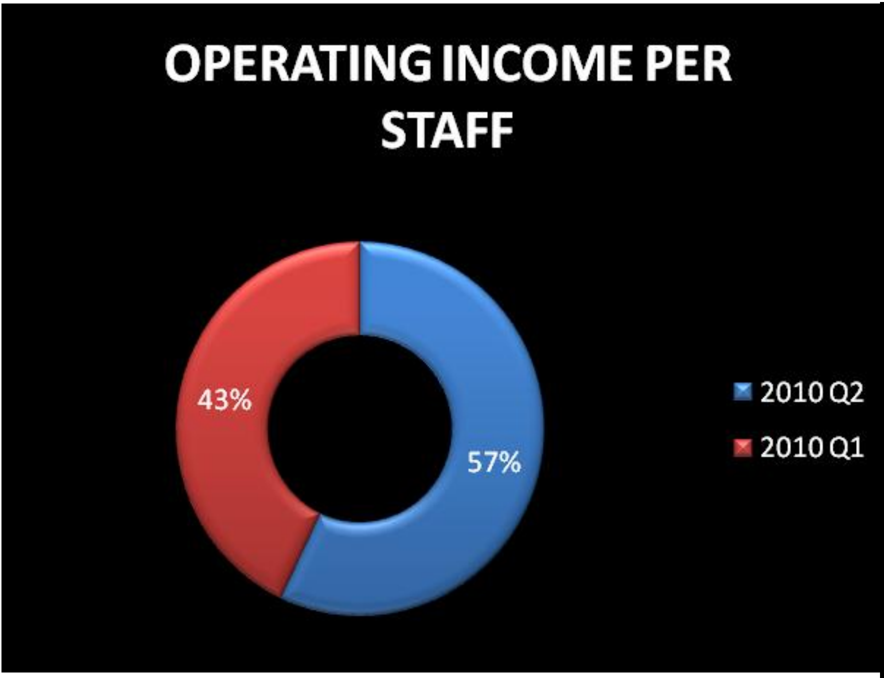


	HY 2010	HY 2009	Q1 2010
Demand	160,123,647	113,808,823	133,699,248
Time	107,203,381	48,644,224	125,964,563
Saving	20,676,193	15,571,866	18,602,021

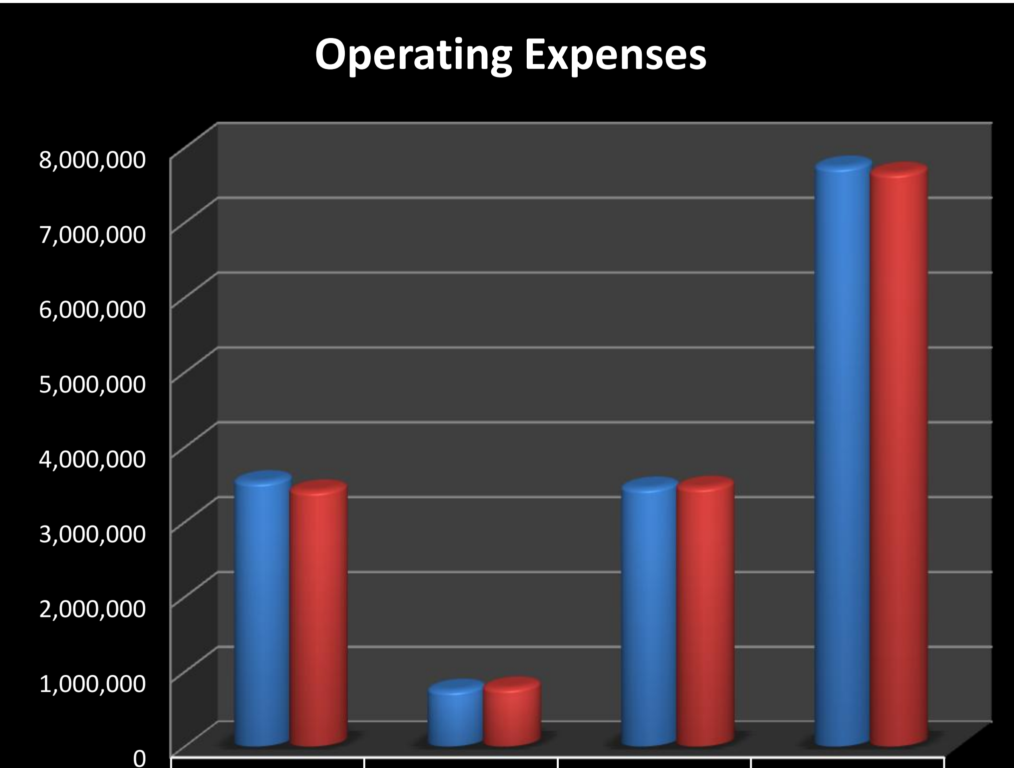
Funding Mix - June 2010



Staff Productivity
Q1 vs. Q2 2010



	2010 Q2	2010 Q
OPERATING INCOME	9,659,257	7,221,61
STAFF COUNT	2,104	2,09
OPERATING INCOME PER STAFF	4,591	3,45



	Staff costs	Depreciation	Other operating expenses	TOTAL
2010 Q2	3,537,194	751,521	3,452,441	7,741,156
2010 Q1	3,415,198	781,289	3,463,544	7,660,031

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Credit Risk Management - Report

ERM initiatives have been completed and are now embedded within the bank's processes:

- Establishment of governance structures and processes for risk management oversight at management and Board levels.
- Deployment of a Basel II compliant and technology driven internal ratings framework for assessing borrower and transaction risks across all exposure types - All new exposures are rated on the bank's ratings platform before credit requests can be processed.
- Revised credit policies to institutionalize and embed the internal ratings framework in the credit approval process. i.e. **Moody's internal rating for all Corporate Banking clients.**
- Strengthening of our loan collection processes with investments in technology and people.
- Revised concentration limits (full compliance by 2011):
  - A cap on single sector exposure at 15% of total loan book with the exception of the mandated 10% for public Sector.
  - Maximum single obligor exposure capped at an absolute N10billion for certain categories of borrowers based on assigned ratings and length of relationship with the bank. Single obligor limits are further cascaded by rating band and are significantly below regulatory limits of 20% of Shareholders funds.

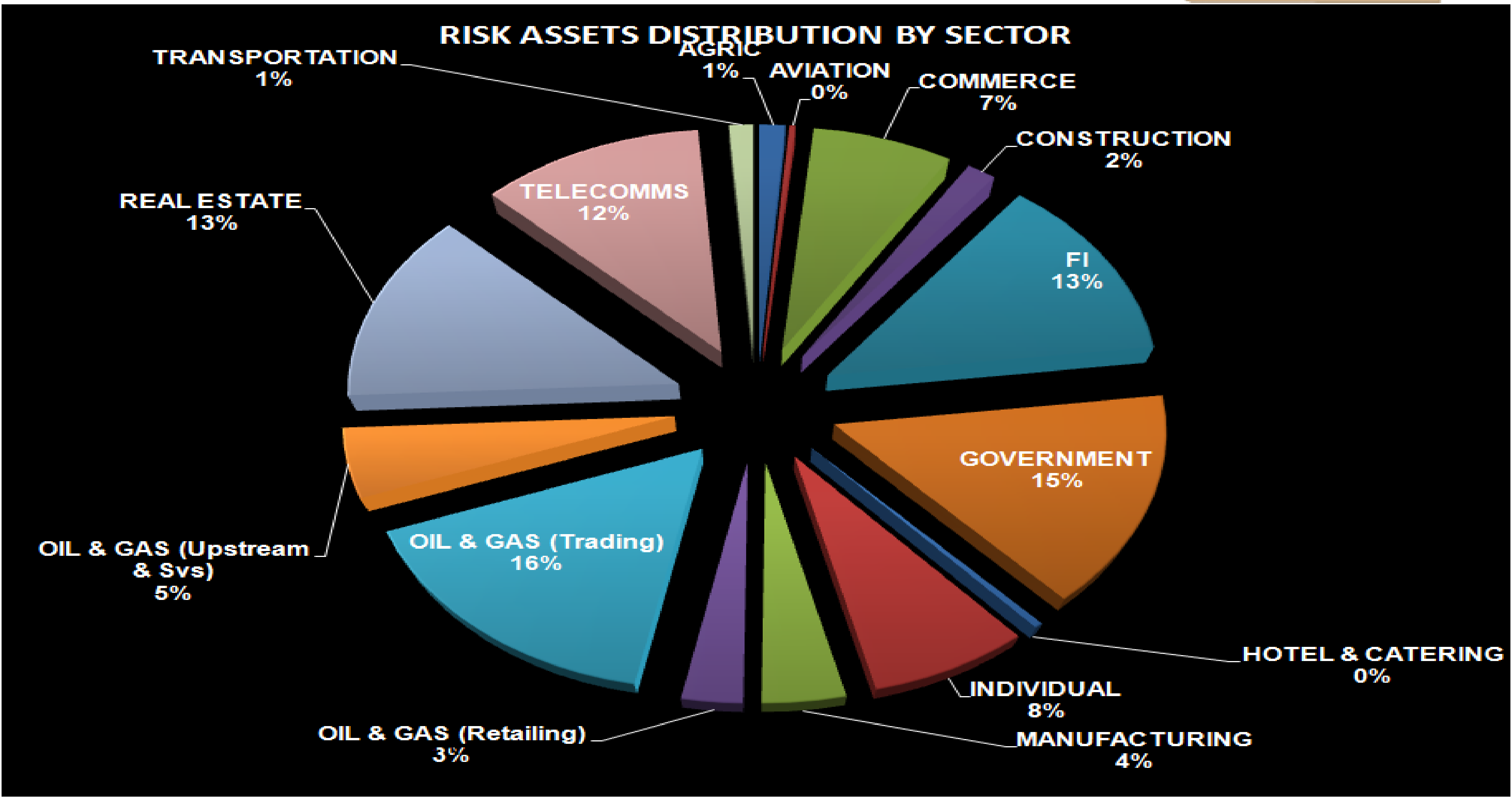
Credit Risk Management – Report: *Continued*

- Implementation of a new operational risk framework comprising; a proactive risk identification and assessment process, quantitative based risk measurement process, performance management linked operational risk index, and periodic risk discourse at departmental, divisional and bank levels.
- Use of Basel II capital adequacy calculations for internal modeling and assessment of adequacy of capital.
- Implementation of risk based pricing complemented by a new risk asset pricing model.
- Allocation of capital to Business Units and use of economic profit models for assessment of Business Unit contribution to shareholder value.

Results:

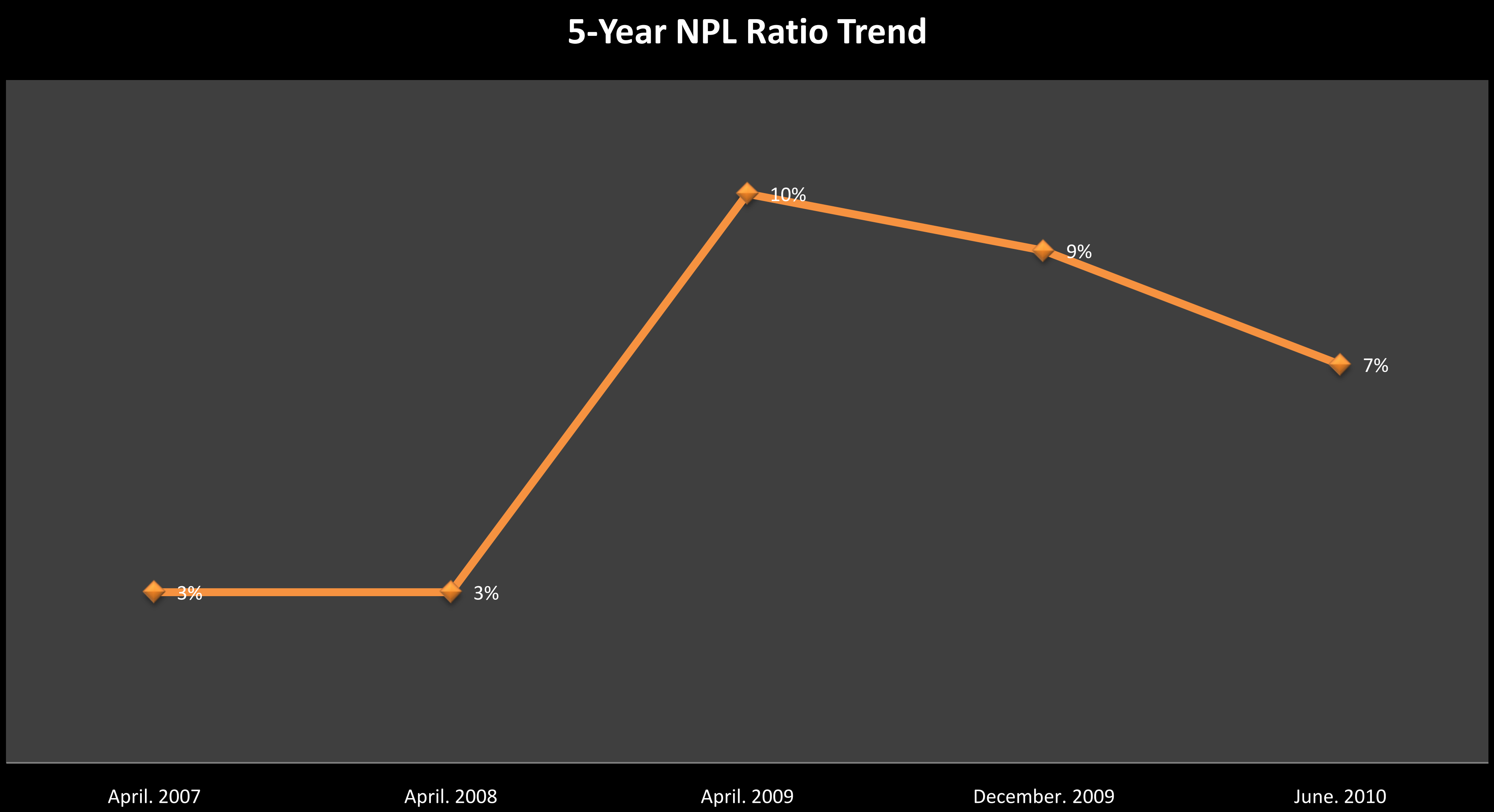
- NPLs amongst the lowest in the industry and declining;
- Market and liquidity risk under control;
- Capital adequacy ratio amongst the highest in the industry;
- Retained S&P rating of ngA- (local) and B+ (international) (same as sovereign rating).

Sectoral Distribution of Loan Book:
30 June 2010



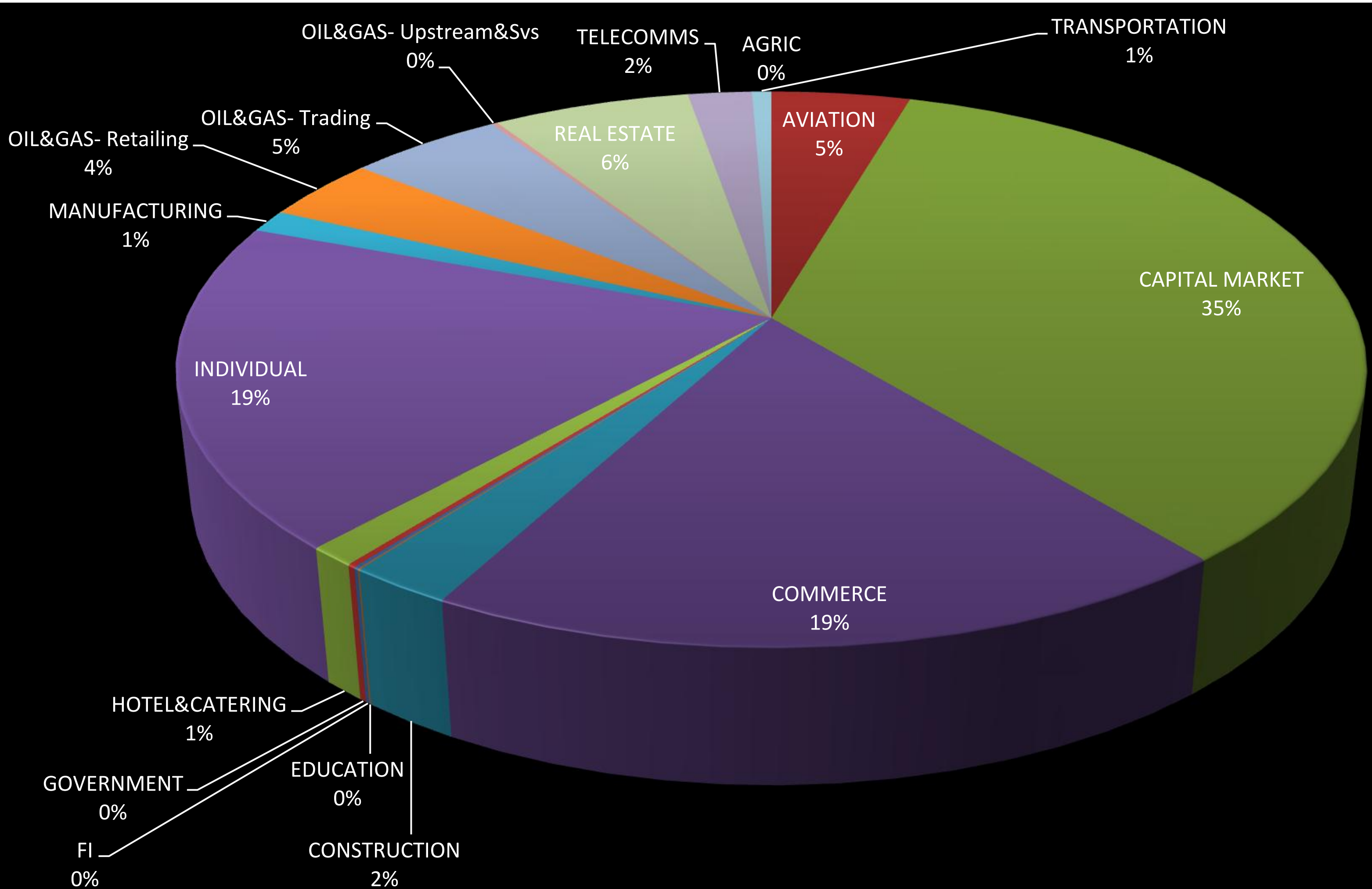
TOTAL **300,182,143,361**

5-Year NPL Ratio Trend



Sectoral Distribution of NPLs:
30 June 2010

FCMB



TOTAL **21,639,471,927**

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Outlook: *2010 and Beyond*

- **Retail lending expected to gain momentum**
  – Increased focus on both SME and Consumer Finance
  – Growth coming largely from secured SME lending

- **Investment banking revenue contribution to grow**
  – Driven by sales and trading of currencies, equity (sales only), rates and fixed income instruments
  – Gradual recovery of equity (primary)capital market and emergence of debt market
  – Infrastructure advisory: Focus on power and transport
  – Developing capabilities in risk management products

- **Transaction banking is a source of stable annuity income**
  – T-Banking will provide low cost funds and increase fee income and commissions

- **Loan growth to be a key earning driver in H2 2010 and 2011**
  - Net Interest Margin to be sustained above 7%
  - 30% loan book growth in 2010 will be focused on lower risk, corporate sectors and retail finance;
  - Cost of funds to average less than 5% for this financial year

- **Cost management**
  - Tactical initiatives consummated in H1 2010
  - Strategic initiatives for H2 2010, e.g. exiting unprofitable products, segments and related assets

- **Continued rise in Q3 and Q4 earnings run-rate.**