

FY20 Results



INVESTORS & ANALYSTS PRESENTATION

31 MARCH 2021



Agenda

Introduction

FY 2020 Results Overview

Commercial & Retail Banking:
Performance Review

Corporate & Investment Banking:
Performance Review

Risk Management Review

Investment Management Review

Outlook



FCMB



Introduction

Mr. Ladi Balogun: Group Chief
Executive FCMB Group Plc



Total Assets
N2.1 trillion

23%

FY19: N1.7 trillion

Profit before Tax
N21.9 billion

9%

FY19: N20.1 billion

Deposits
N1.3 trillion

33%

FY19: N943.1 billion

Loans
N822.8 billion

15%

FY19: N715.9 billion

Assets Under Management
N495.2 billion

23%

FY19: N403.1 billion

Gross Earnings
N199.4 billion

10%

FY19: N181.3 billion

Customers
8.3 million

19%

FY19: 7.0 million

Digital Customers
6.6 million

43%

FY19: 4.6 million

Capital Adequacy
17.7%

53bps

FY19: 17.17%

Return on Average Equity
9.2%

20bps

FY19: 9.0%

Non-Performing Loans
3.3%

-40bps

FY19: 3.7%

Building Resilience:

- ❖ Capital Adequacy Ratio (CAR) at Group level was 17.7%. This represents a growth of 3.3% YoY and a decline of 3.8% QoQ supported by the capitalisation of the FY audited figures of the banking subsidiary.
- ❖ The liquidity ratio rose 3.9% YoY and 2.2% QoQ to 34.2% (which excludes ₦311.7 billion that was held in cash reserves at the end of the financial year).

Diversification

- ❖ Customer strength, across our group of companies, has grown 19% YoY from 7.0 million¹ as at Dec. 2019 to 8.3 million¹ as at Dec. 2020.
- ❖ Personal and business banking account for 68%, 32% and 66% of total deposits, total risk assets and net revenue respectively.
- ❖ Our Investment Management business grew its PBT by 19% YoY and accounted for 9% of total PBT. The business saw a 23% YoY growth in AUM from ₦403.1bn to ₦495.2bn, as we continued to leverage an effective distribution model on the bank's growing customer base.

Innovation

- ❖ **6.6m digital customers – up 43% YoY** from 4.6 million (Dec 2019). Growth is mainly due to:
 - Having our own proprietary Mobile App;
 - Increased onboarding during the lockdown as more transactions had to be done digitally;
 - Simplified digital onboarding.
- ❖ **Mobile App & USSD Commissions:** Transaction volume growth was 10% QoQ and 73% YoY. Revenue rose 10% QoQ to ₦589 million, but fell 10% from ₦2.1 billion in FY19 to ₦1.9 billion in FY20, due to the USSD accrual for session charge which came into existence in 2020.
- ❖ **Digital loans**, at the bank, of ₦89.3 billion, represented 30% of total retail loans sales and 86% of total retail loans count.
- ❖ **Credit Direct Limited**, in FY20, onboarded more than 70% of customers via digital channels. In FY21, aim is to accelerate data-driven customer acquisition and retention via its digital channels: Web, Mobile App, and USSD.

Notes:

1. This figure includes total customer numbers for the Bank; active Easy Account holders; Credit Direct Ltd customers and total no. of RSAs with FCMB Pensions Ltd.

FCMB



FY20 Results Overview: FCMB Group Plc

**Mr. Kayode Adewuyi: Chief Financial
Officer - FCMB Group Plc**



Group Performance Highlights: ROaE grew YoY supported by an increase in NIM and improved cost to income ratio. Profitability indices increased QoQ due to a 41% reduction in cost of risk and increment in NIM in 4Q20. NPL dropped YoY and QoQ due to improvement in risk asset portfolios

Performance Index		1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
Operating	Return on Average Equity	9.3%	9.6%	8.0%	10.7%	34%	9.0%	9.2%	2%
	Return on Average Assets	1.1%	1.1%	1.0%	1.2%	28.8%	1.1%	1.1%	-5.9%
	Loan/Deposit Ratio	76.1%	71.6%	66.4%	66.0%	-0.6%	75.9%	66.0%	-13.1%
	Loan/Funding Ratio	56.2%	52.6%	49.2%	51.2%	4.13%	58.7%	51.2%	-12.82%
	Cost/Income Ratio	71.2%	68.8%	67.8%	55.1%	-18.6%	69.4%	65.6%	-5.5%
	Net Interest Margin	7.8%	7.8%	7.6%	8.1%	7.4%	7.1%	8.1%	14.9%
	NPL/Total Loans	3.5%	3.5%	4.4%	3.3%	-26.1%	3.7%	3.3%	-10.3%
	Coverage Ratio ¹	167.0%	175.2%	149.8%	177.3%	18.4%	154.4%	177.3%	14.9%
	NII/Operating Income	17.4%	28.6%	29.6%	32.2%	9.0%	30.2%	29.4%	-2.6%
	Financial Leverage	8.8	8.8	8.4	8.9	5.9%	8.1	8.9	10.2%
	Cost of Risk	1.7%	2.05%	2.79%	1.66%	-40.5%	1.3%	1.78%	39.6%
Capital & Liquidity	Capital Adequacy Ratio	17.0%	17.3%	18.4%	17.7%	-3.8%	17.17%	17.7%	3.3%
	Liquidity Ratio	36.0%	32.2%	33.5%	34.2%	2.2%	32.9%	34.2%	3.9%
Investment	Share Price	1.55	1.93	2.19	3.33	52.1%	1.84	3.33	81.0%
	NAV(N'B)	205.49	214.5	214.8	227.1	5.7%	200.8	227.1	13.1%
	Dividend (Kobo)	0.0	0.0	0.0	15	n/a	14.0	15	7.1%
	EPS (Kobo)	23.76	25.14	21.24	27.92	31.4%	87.16	98.07	12.5%
Others	Opex (N'B)	22.6	21.5	21.8	18.5	-15.3%	76.9	84.3	9.7%
	Risk Assets (net) (N'B)	764.3	794.6	793.1	822.8	3.7%	715.9	822.8	14.9%
	Customer Deposits (N'B)	1,003.9	1,109.8	1,195.1	1,257.1	5.2%	943.1	1,257.1	33.3%

Note:

1. Inclusive of regulatory risk reserve

FCMB's Operating Companies' Contribution to Profitability

N'm	PBT	PAT	Revenue	ROAE	NAV	% Contribution to Group PBT
<i>Commercial & Retail Banking¹</i>	20,818	19,320	135,955	14.7%	131,679	95%
<i>Corporate & Investment Banking²</i>	(1,974)	(2,121)	56,777	-2.8%	80,155	-9%
<i>Investment Management³</i>	2,036	1,398	4,553	29.9%	5,092	9%
<i>FCMB Group Plc (Separate)</i>	3,078	3,060	4,200	2.3%	132,227	14%
<i>Intercompany Adjustments</i>	(2,046)	(2,046)	(2,046)	n/a	(122,033)	n/a
FCMB Group Plc (consolidated)	21,912	19,610	199,439	9.2%	227,120	100%

Notes:

1. Includes FCMB Bank Ltd (and its subsidiary, FCMB (UK) Ltd); FCMB Microfinance Bank Ltd, Credit Direct Ltd.
2. Includes the Corporate Banking Division of the Bank, CSL Stockbrokers and FCMB Capital Markets Ltd.
3. Includes FCMB Pensions Ltd; FCMB Asset Management Ltd and FCMB Trustees Ltd.

Group Statements of Comprehensive Income: PBT grew 9% YoY due to a significant increase in net interest income, FX income and moderate increase in opex, which reduced the impact of increased impairment charges. PBT grew by 27% QoQ driven by a 14% growth in non-interest income and reduction in opex, which reduced the effect of increase in impairment charges. OPEX grew YoY due to increase in litigation costs and inflationary pressure.

N'm	1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
Revenue	49,195	48,984	48,246	53,014	9.9%	181,250	199,439	10.0%
Interest Income	38,333	37,815	35,951	38,925	8.3%	137,447	151,023	9.9%
Interest Expense	(15,217)	(15,552)	(13,277)	(16,220)	22.2%	(61,471)	(60,266)	-2.0%
Net Interest Income	23,116	22,263	22,674	22,705	0.1%	75,976	90,758	19.5%
Non Interest Income	8,628	8,889	9,473	10,806	14.1%	32,850	37,795	15.1%
- Net Fees & Commissions	5,050	4,638	5,222	4,646	-11.0%	20,722	19,555	-5.6%
- Trading Income	1,885	2,040	1,816	1,376	-24.3%	6,904	7,118	3.1%
- FX Income	1,424	1,876	1,146	5,565	385.6%	3,549	10,011	182.1%
- Others	268	334	1,289	(780)	-160.5%	1,674	1,111	-33.6%
Operating Income	31,744	31,152	32,147	33,511	4.2%	108,826	128,553	18.1%
Operating Expenses	(22,595)	(21,457)	(21,817)	(18,476)	-15.3%	(76,901)	(84,346)	9.7%
				0				
Net impairment loss on financial assets	(3,670)	(4,072)	(5,600)	(8,966)	60.1%	(13,748)	(22,308)	62.3%
Net gains/(losses) from fin. instruments at fair value	(45)	14	50	(7)	-113.7%	1,952	13	-99.4%
PBT	5,434	5,637	4,779	6,062	26.8%	20,130	21,912	8.8%
PAT	4,722	4,978	4,202	5,707	35.8%	17,337	19,610	13.1%

FCMB



Group Performance Review: Commercial & Retail Banking

Mrs. Yemisi Edun:
Acting Managing Director - FCMB Ltd



Personal Banking

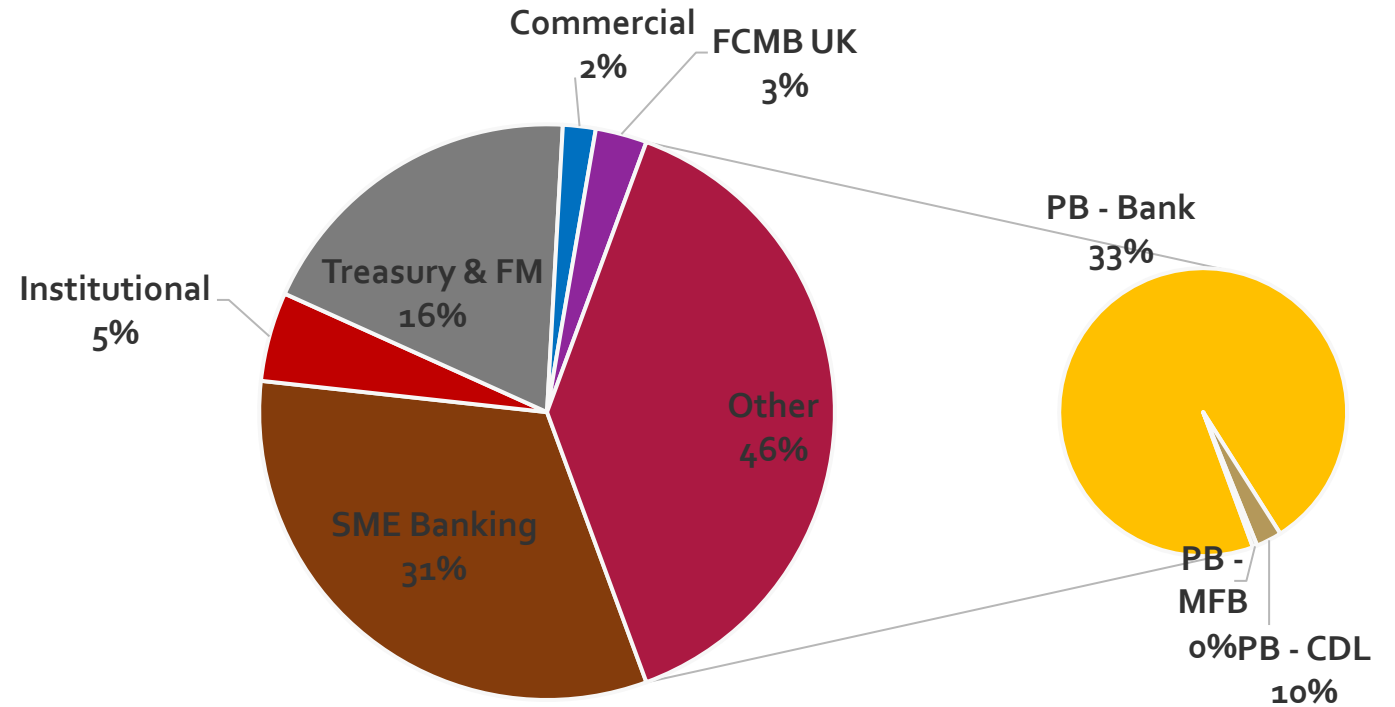
- Personal Banking contributed 46% to net revenue attesting to the sustainability of our retail-led strategy of using technology to drive scale and the acceptance of FCMB products and services.
- The segment has also consistently maintained a strong and stable deposit base with the right low-cost mix, from new-to-bank and existing customers.
- We have continued to see an upward trajectory on the digital transformation initiatives as more retail transactions are consummated through our electronic banking channels and innovative products.
- We shall continue to use digital initiatives to drive OPEX improvements and reduce cost of funds in the segment.

SME Banking

- Contributed 31% to net revenue, driven mainly by growth in net interest income.
- Digitalised SME lending has improved loan origination and processing.

Commercial Banking

- Contributed 2% to net revenue.



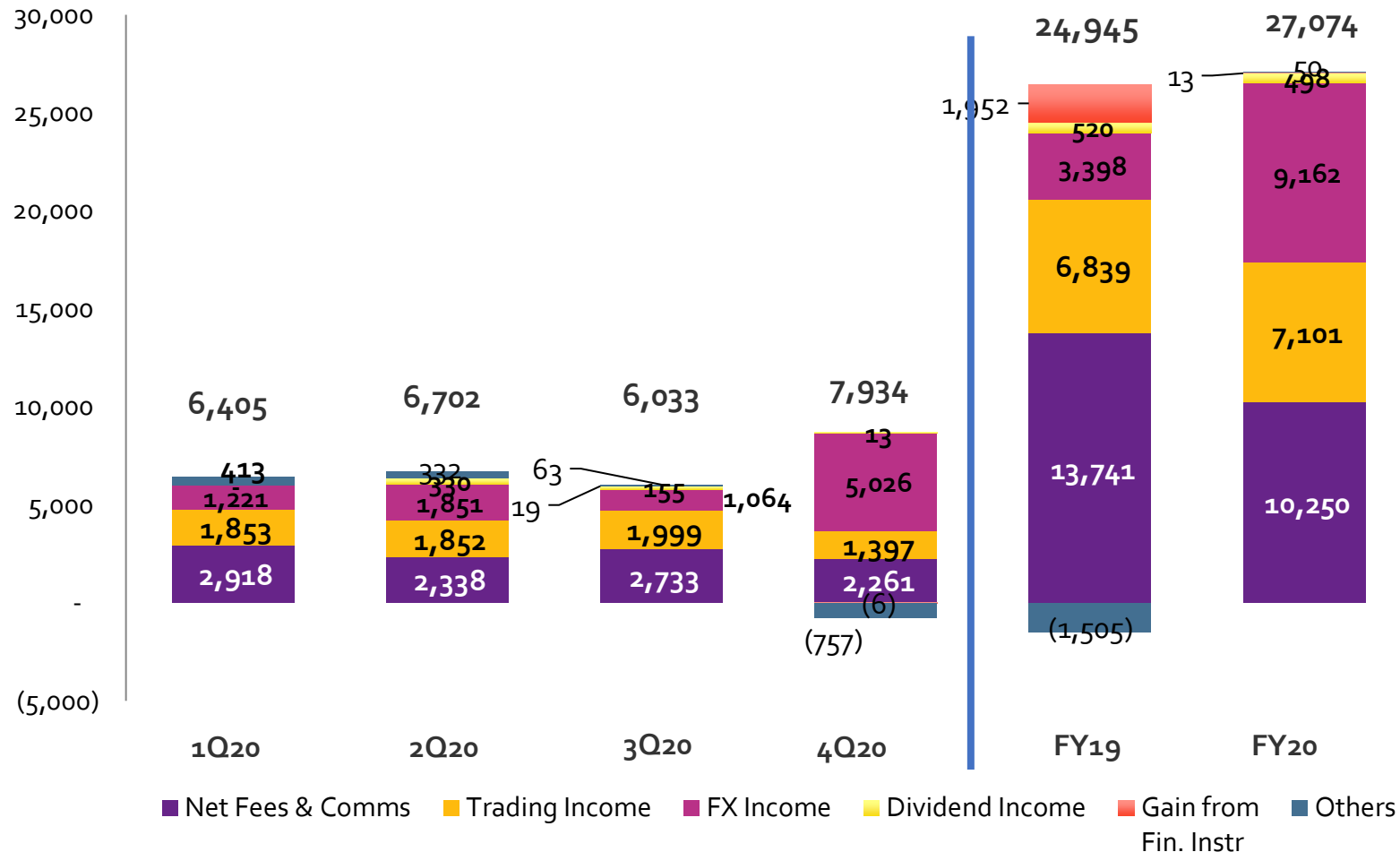
Institutional Banking

- Contributed 5% to net revenue.

- FCMB UK Limited contributed 3% to net revenue.

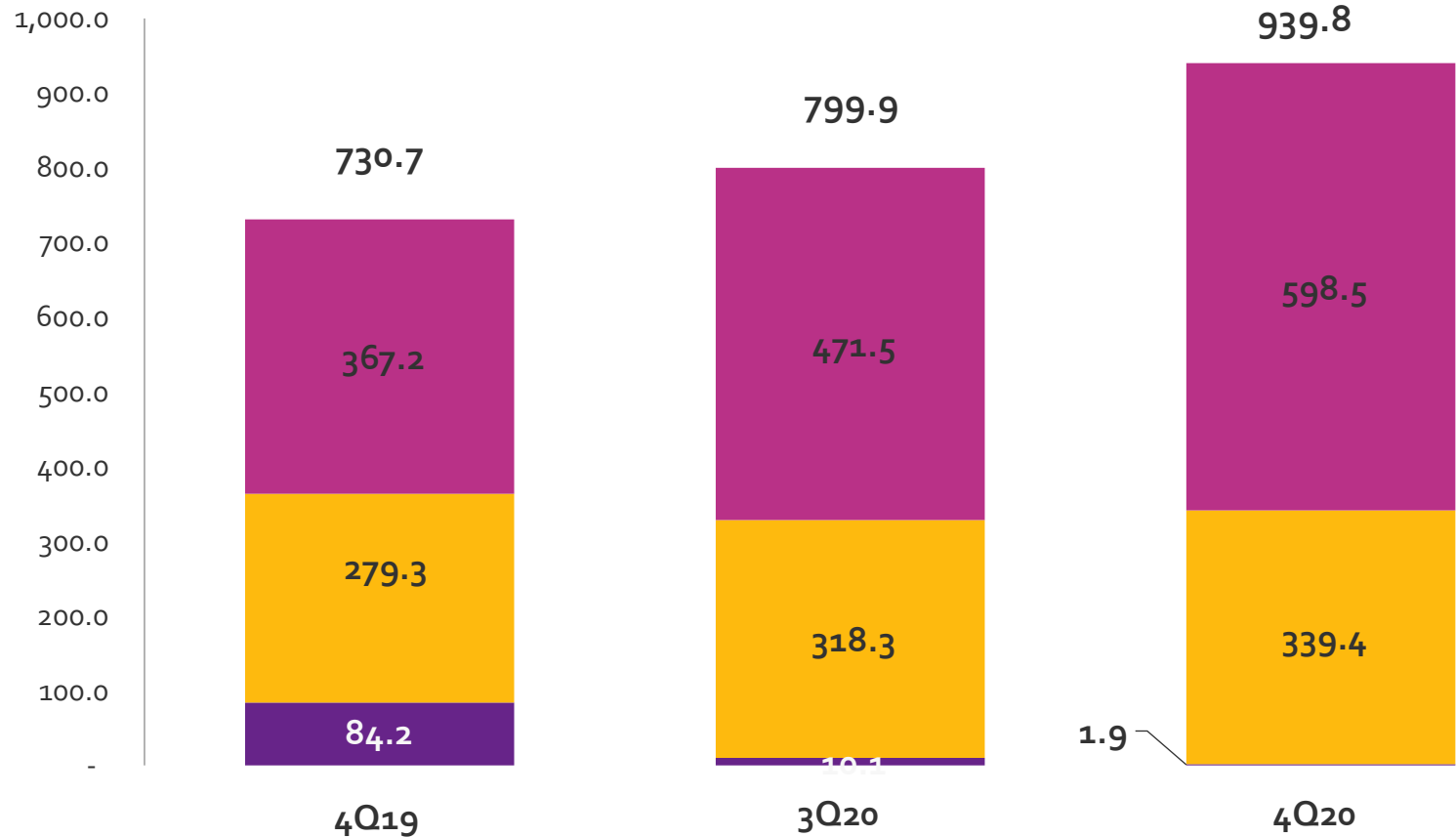
N'm	1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
Revenue	33,168	32,506	30,656	39,629	29.3%	136,157	135,959	-0.1%
Net Interest Income	19,781	18,869	19,113	19,817	3.7%	67,749	77,580	14.5%
Non-Interest Income	6,405	6,702	6,033	7,934	31.5%	24,945	27,074	8.5%
Net impairment loss on financial assets	(1,856)	(2,259)	(3,041)	(6,539)	115.0%	(5,369)	(13,695)	155.1%
Operating Expenses	(18,550)	(17,294)	(18,156)	(16,142)	-11.1%	(64,661)	(70,142)	8.5%
PBT	5,780	6,018	3,949	5,070	28.4%	22,663	20,818	-8.1%
Risk Assets (gross) (N'B)	300,633	314,116	318,296	339,456	6.6%	279,316	339,456	21.5%
Customer Deposits (N'B)	849,984	933,369	1,010,174	1,053,404	4.3%	821,633	1,053,404	28.2%

- 28.4% QoQ increase in PBT due to increase in Net Interest Income and Non-Interest Income as well as decline in operating expenses. However, PBT declined 34.4% YoY due to increase in impairment loss on financial assets and OPEX.
- Net Interest Income increased 3.7% QoQ and 14.5% YoY due to consolidated gains from low-cost deposit growth as a result of low interest regime.
- Non-Interest Income increased 31.5% QoQ and 8.5% YoY due to increase in FX Income from revaluation gain.
- Operating Expenses decreased 11.1% QoQ due to the accelerated amortisation of the regulatory cost (AMCON levy) in line with IFRS. However, increased 8.5% YoY as a result of regulatory overheads, IT overheads and COVID-19 community support, as well as litigation-related reversals in 2019.
- Risk Assets grew 6.6% QoQ and 21.5% YoY, while Deposits, by 4.3% QoQ and 28.2% YoY respectively, mainly from low-cost deposit accumulation



N'm	%Δ QoQ	%Δ YoY
Non Interest Income	31.5%	8.5%
Net Fees & Commissions	-17.3%	-25.4%
Trading Income	-30.1%	3.8%
FX Income	372.4%	169.6%
Dividend Income	-91.3%	-4.2%
Gain from Fin. Instr.	-134.1%	-99.4%
Others	-1302.9%	-103.3%

- Net fees and commissions declined 17.3% QoQ and 25.4% YoY due to decline in service commissions from low transactions in finance trade activities and related Dom commissions as well as a result of regulatory-led reduction of tariffs and charges;
- Trading income decreased 30.1% QoQ due to low trading activities in government-backed securities in Q4. However, grew 3.8% YoY;
- FX income increased 372.4% QoQ and 169.6% YoY from revaluation gains;
- Gain from fin. Instr. and Others declined QoQ and YoY due to matured fin. Instr. deals and loss recognised as a result of restructured facilities respectively. 1Q19

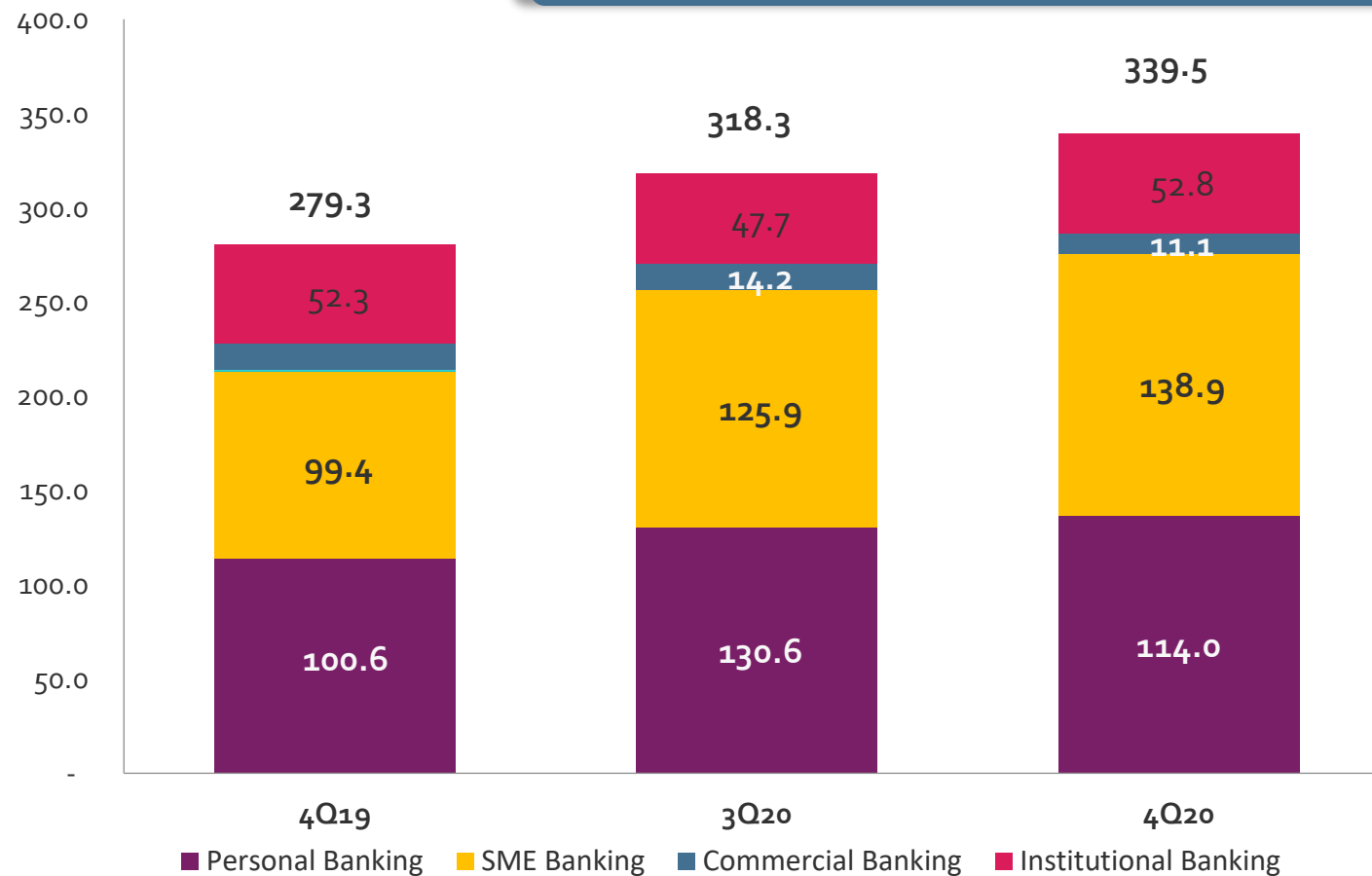


■ Interbank Placements ■ Loans & Advs. To Customers (Gross) ■ Investments in Govt. & Corp. Securities

- Total earning assets increased by 17.5% QoQ, and 28.6% YoY;
- Interbank placements declined 80.8% QoQ and 97.7% YoY;
- Gross loans and advances grew 6.7% QoQ and 21.5% YoY. The gross loan book of N339.46 billion represents 36.1% of total earning assets.
- Investments in government & corporate securities increased by 26.9% QoQ and 63.0% YoY due to CBN released some CRR to the bank as Special Bills.

N'bn	% Δ QoQ	% Δ YoY
Interbank placements	-80.8%	-97.7%
Loans and advances to customers (gross)	6.7%	21.5%
Investments in government & corporate securities	26.9%	63.0%
Total Earning Assets	17.5%	28.6%

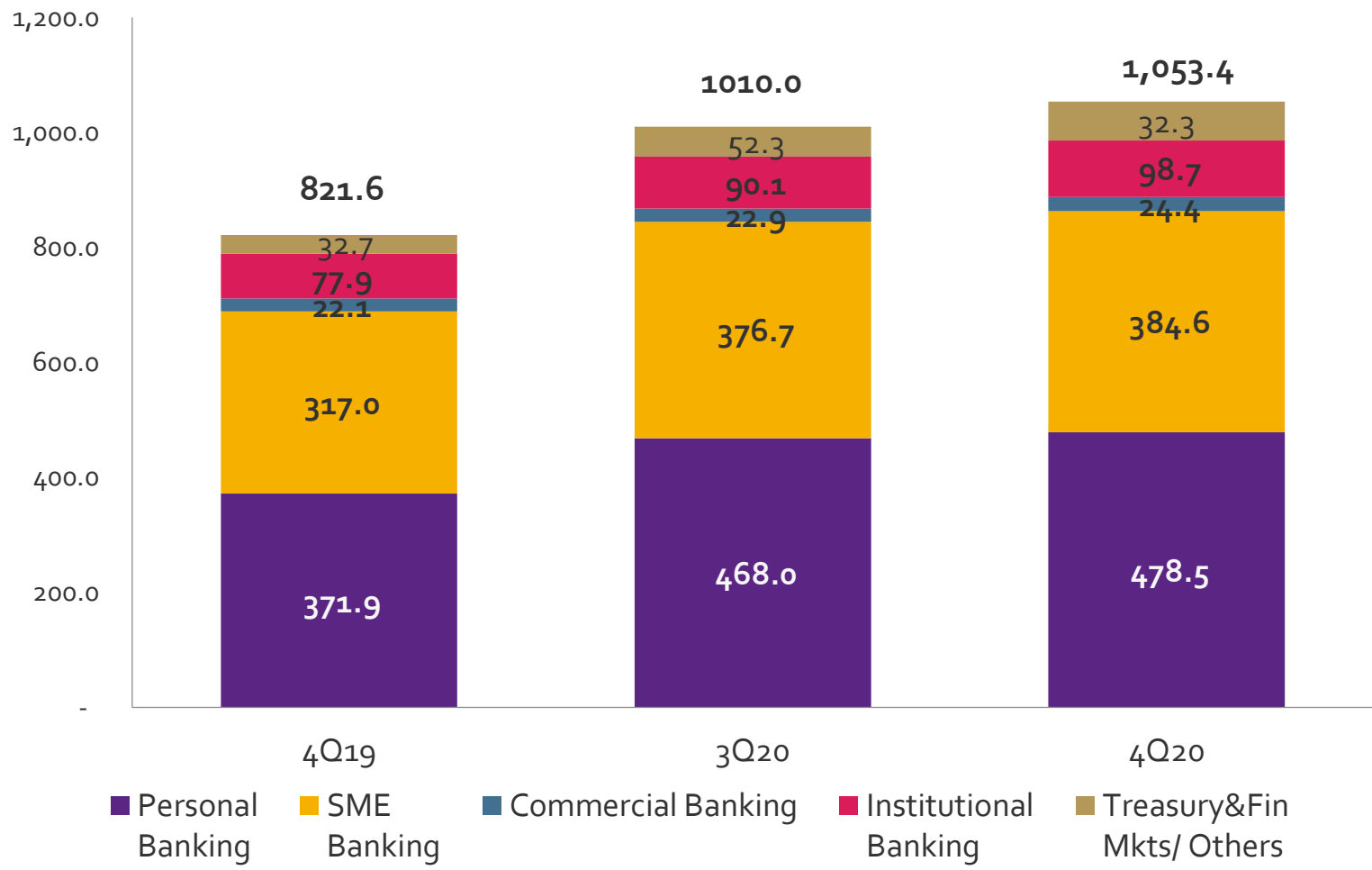
Gross Loans Distribution by Segment: 4Q19 vs. 3Q20 vs. 4Q20



Segment	% Δ QoQ	% Δ YoY
Personal Banking	4.6%	19.9%
SME Banking	10.4%	39.7%
Commercial Banking	-21.5%	-18.5%
Institutional Banking	10.8%	1.1%
Total	6.6%	21.5%

- In line with business plan to grow the loan book for the year, we achieved 21.5% YoY and 6.6% QoQ growth in loan across business segments. The 21.5% QoQ drop in Commercial banking is from pay downs on revolving trade lines.
- Growth in Personal and SME banking has remained consistent and sustained through the year in line with our strategic plan despite the macro challenges.
- Plan for this year is to sustain quality loan growth across business segments driven through our focus sectors.

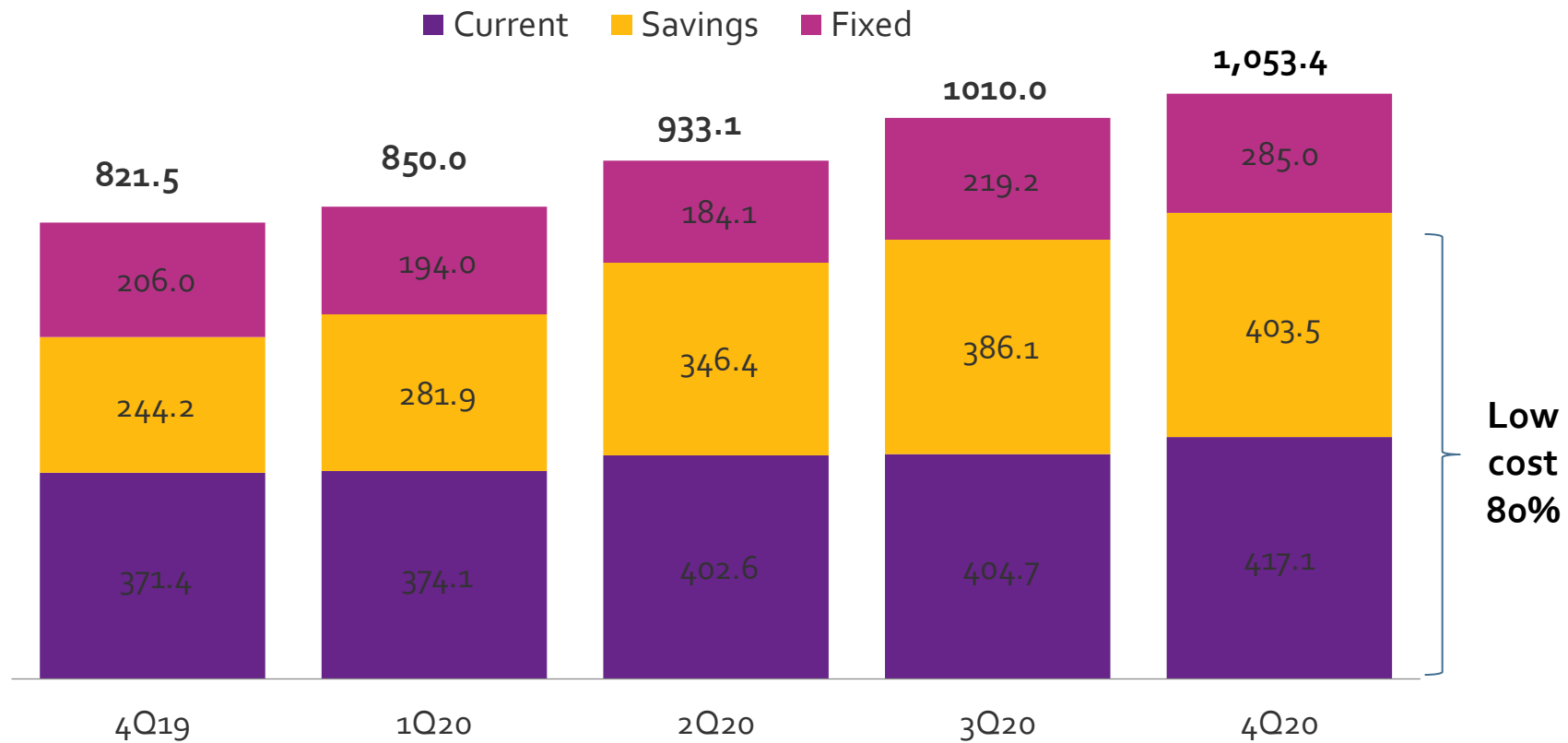
Deposits Distribution by Segment: 4Q19 vs. 3Q20 vs. 4Q20



Segment	% Δ QoQ	% Δ YoY
Personal Banking	2%	29%
SME Banking	2%	21%
Commercial Banking	7%	10%
Institutional Banking	10%	27%
Treasury & Financial Markets	28%	105%

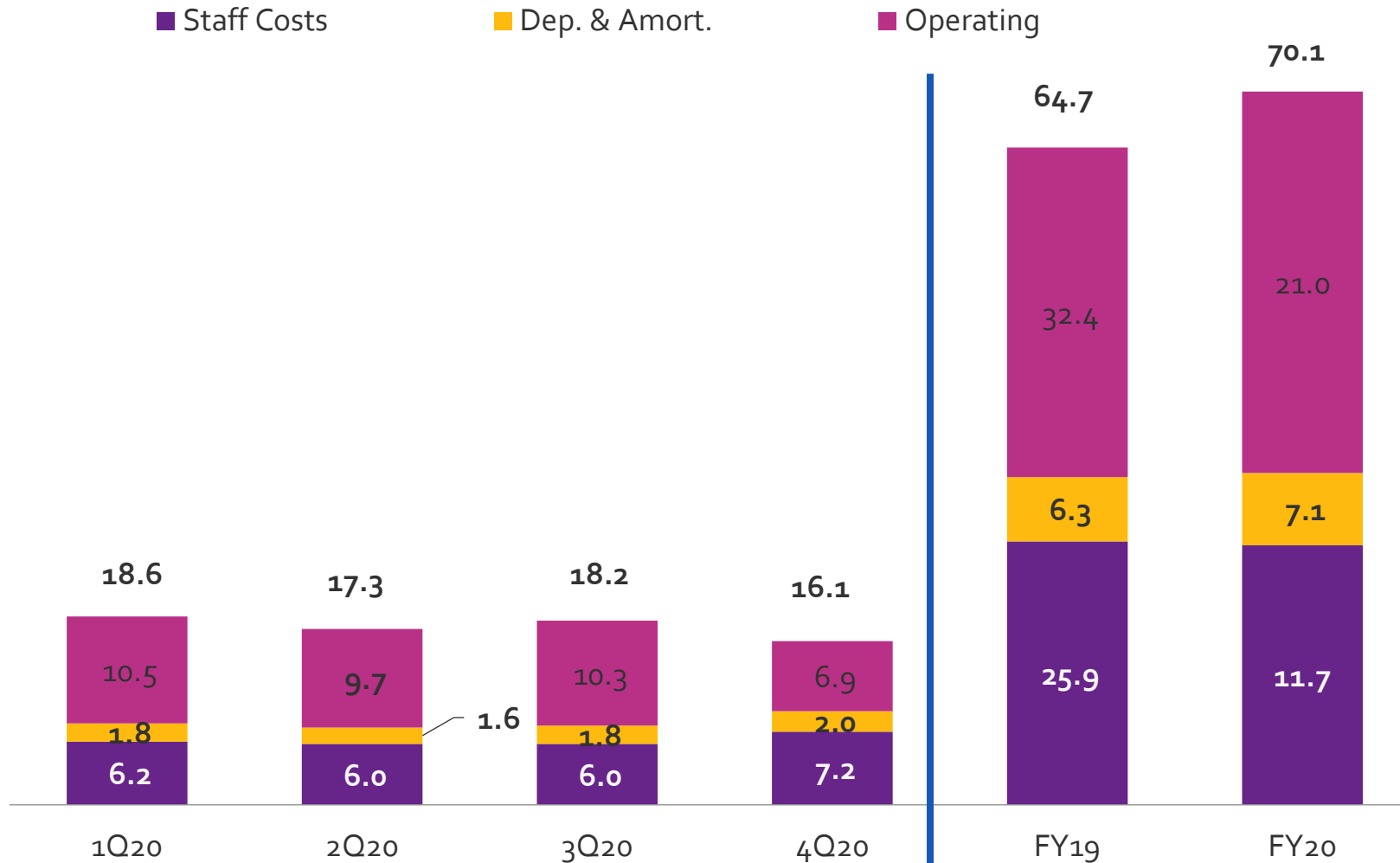
Retail (Personal and SME Banking) deposits now constitutes about 82% of total deposits and grew 2% QoQ and 25% YoY.

Deposits Distribution by Type: 4Q19 – 4Q20



- Total deposits rose 4.3% QoQ and 28.2% YoY, driven by CASA deposits, as a result of our sustained focus on retail banking;
- Low-cost deposits now account for 80% of our total deposits, a 2% QoQ rise from 78% and 5% YoY rise from 75% previously .

OPEX Analysis by Expense Domain: 1Q20 - 4Q20 & FY19 vs. FY20

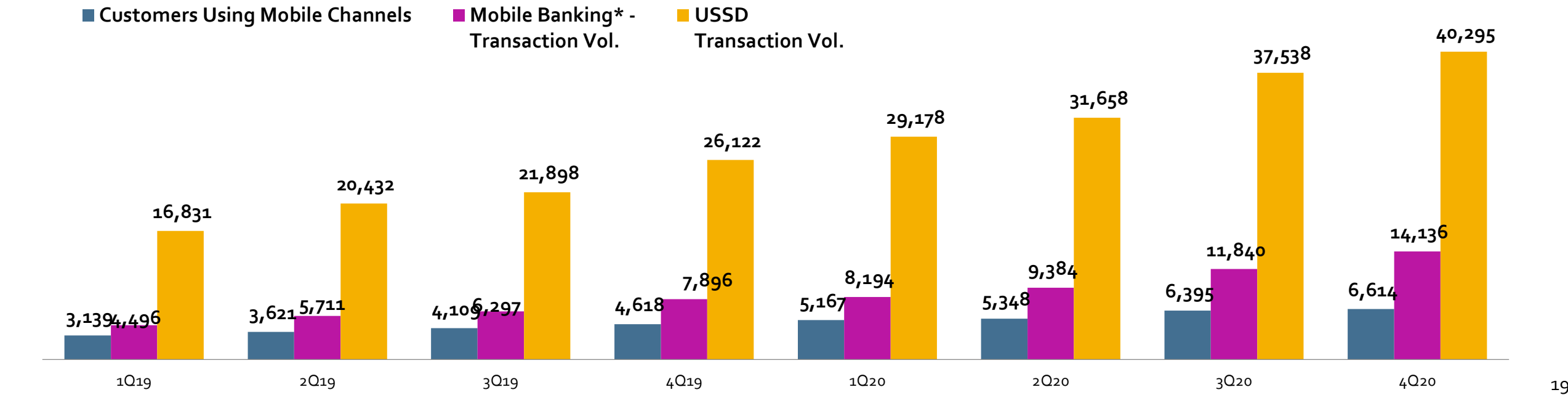
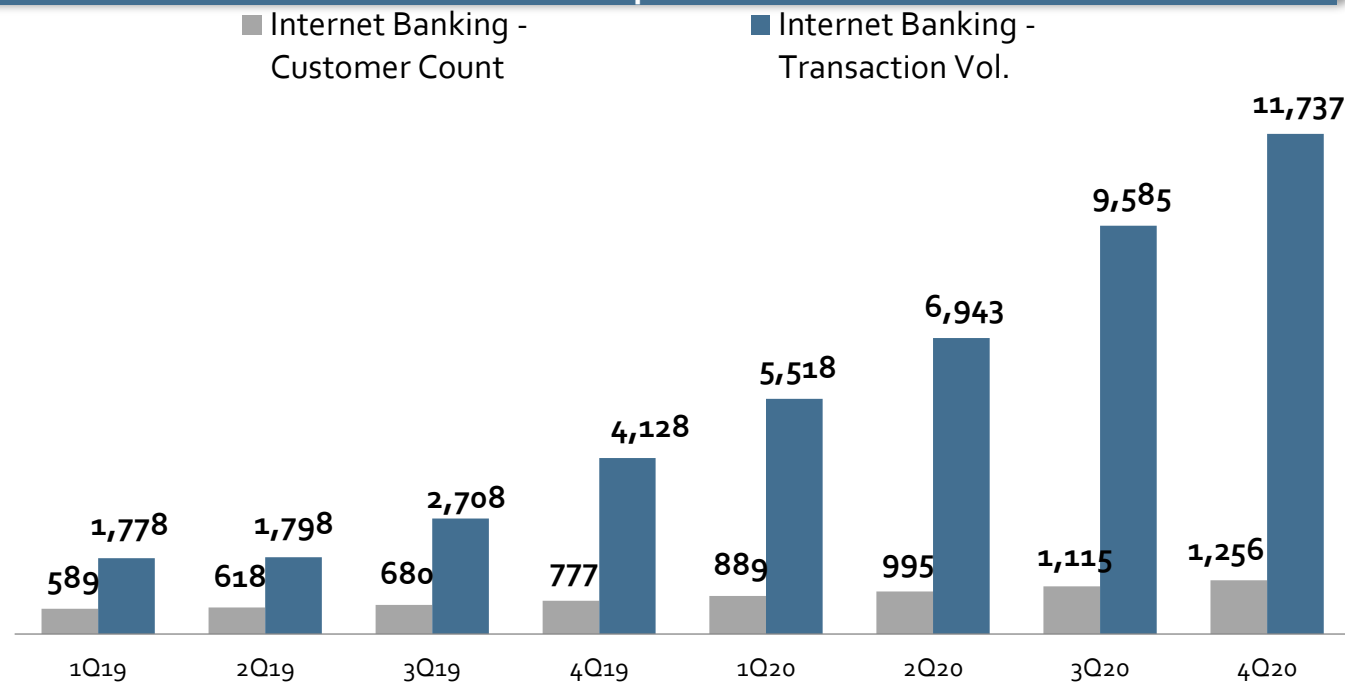
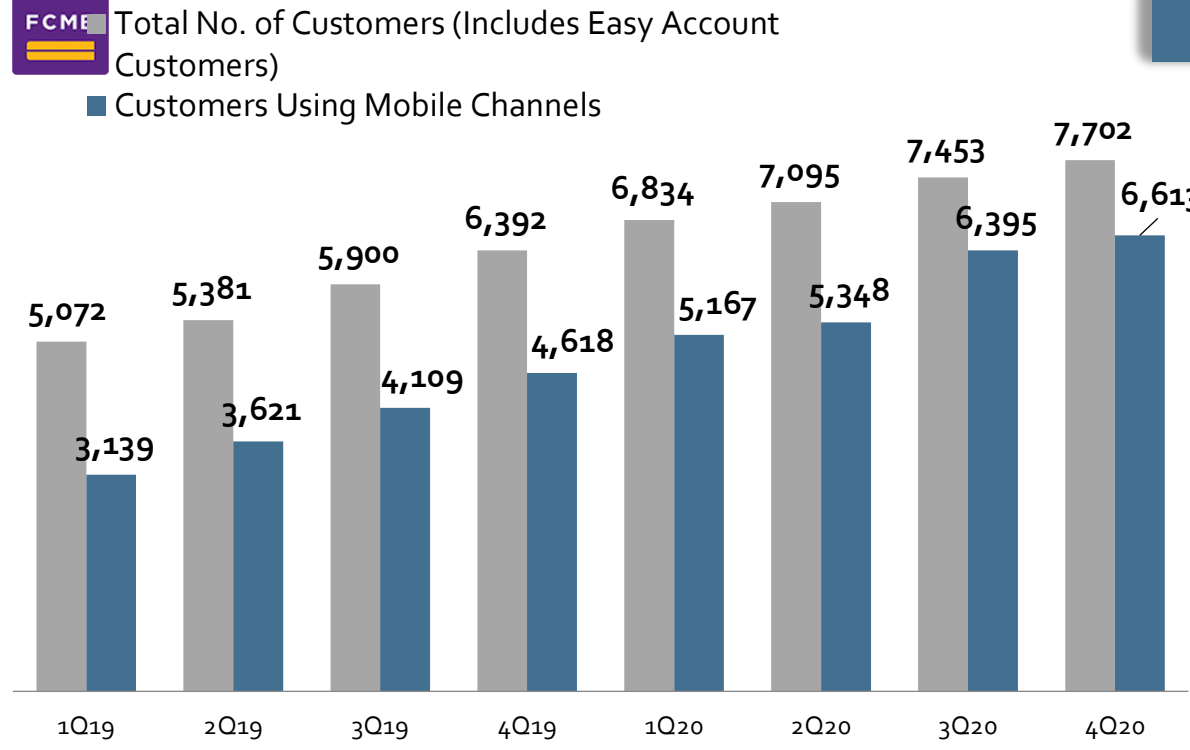


Segment	% Δ QoQ	% Δ YoY
Staff Costs	20.3%	-1.6%
Depreciation & Amortisation	10.6%	12.6%
Operating	-33.1%	15.7%
Total	-11.1%	8.5%

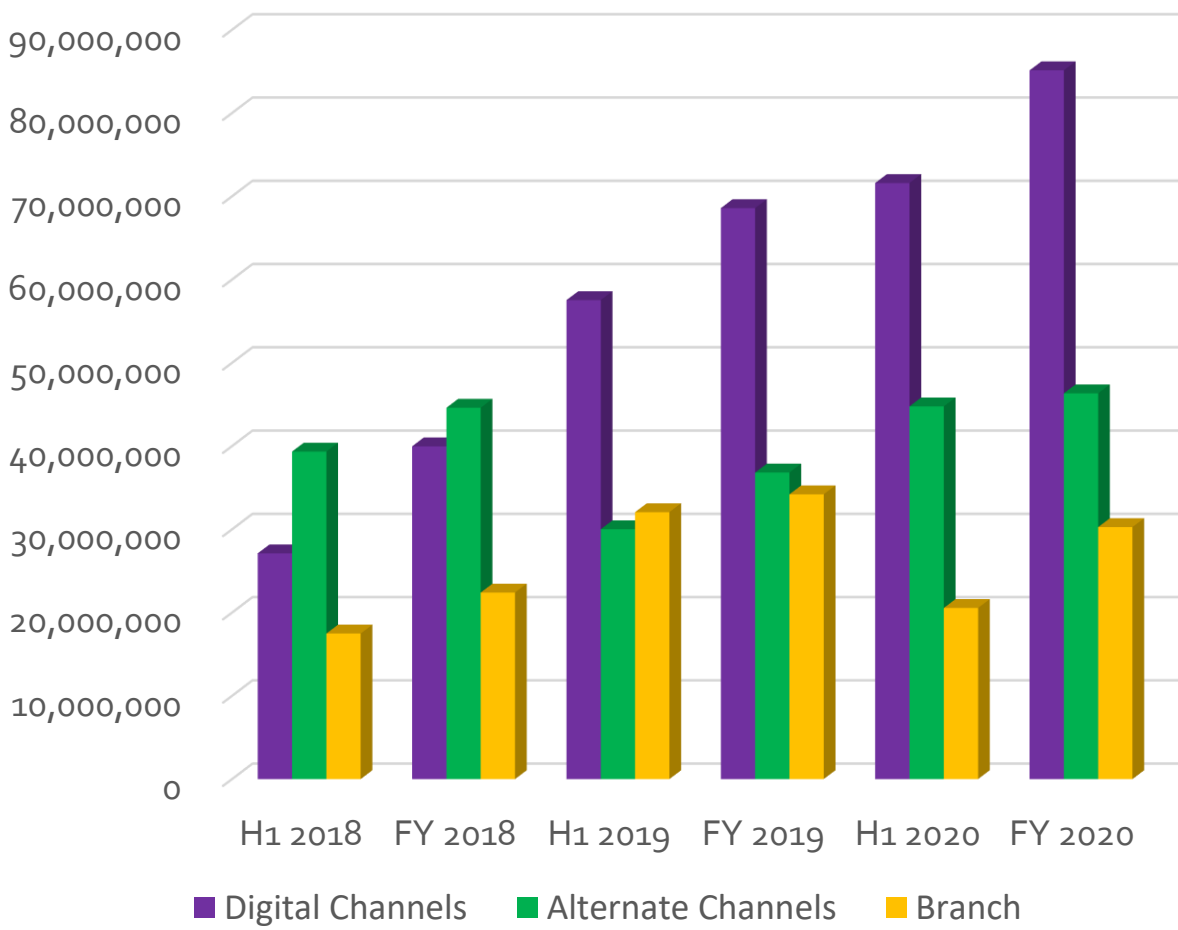
Operating expenses decreased 11.1% QoQ due to the accelerated amortisation of the regulatory cost (AMCON levy) in line with IFRS. While the increase of 8.5% YoY is from regulatory costs, IT overheads and COVID-19 business and community support as well as litigation-related reversals in 2019.



Digital Financial Services: Customer Acquisition and Digital Channels Adoption

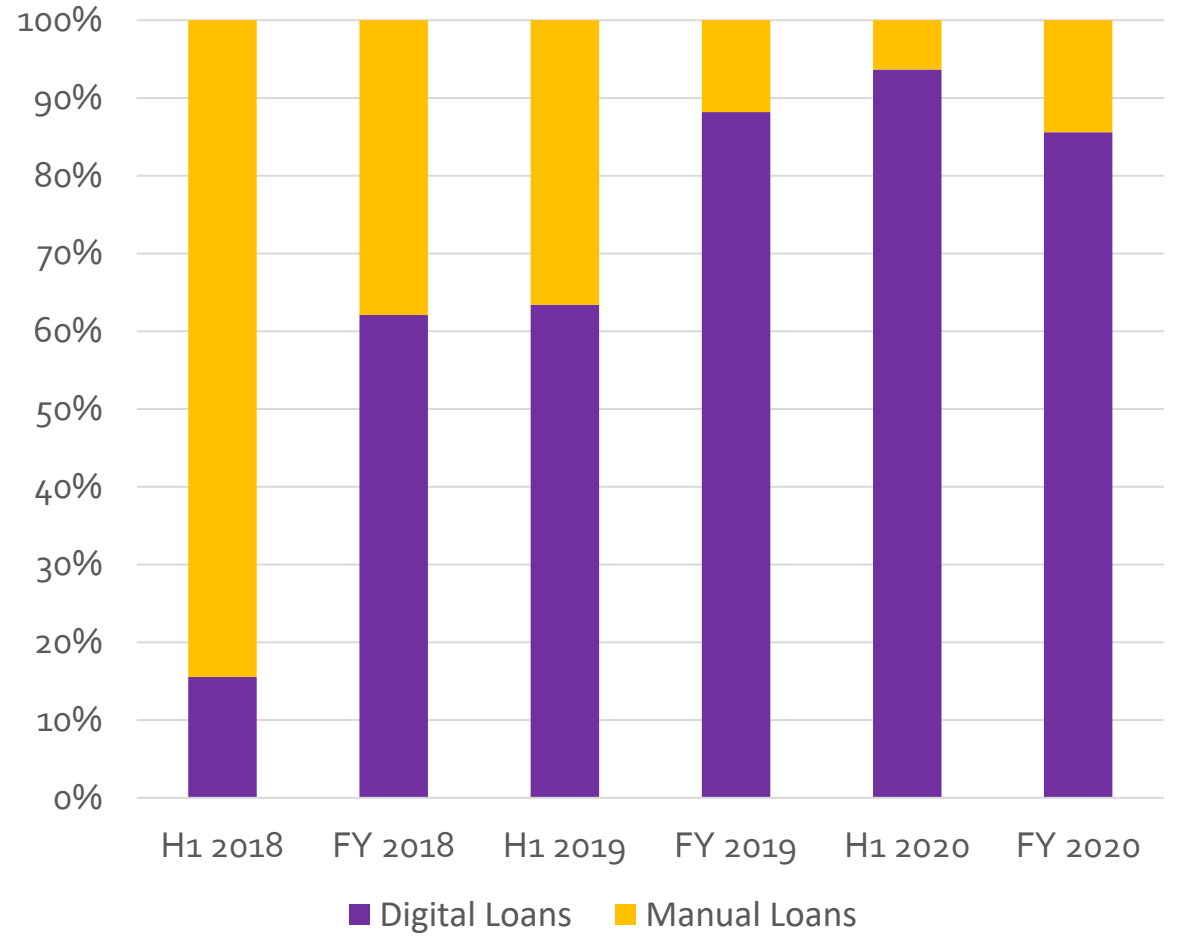


Channel Usage Volumes (In Millions)



- Digital Channels include FCMB Mobile, Internet Banking and USSD;
- Alternate Channels include ATM and POS;
- Transactions in Branches include Over the Counter & Electronic transfers

Digital and Manual Loan Trend Volume



- Digital continues to lead with more adoption and usage, while about 90% volume of retail loans were processed on digital channels (USSD, Internet Banking and FCMB Mobile App) during the period.

The logo for FCMB (First City Monument Bank) is located in the top left corner. It consists of the letters "FCMB" in white, bold, sans-serif font, positioned above two horizontal yellow bars. The entire logo is set against a purple square background.

FCMB

Group Performance Review: Corporate & Investment Banking

Mr. Femi Badeji: Executive
Director - FCMB Group Plc



Our Corporate & Investment Banking Business comprises of the Corporate Banking Division of FCMB Ltd, FCMB Capital Markets Ltd and CSL Stockbrokers Ltd

Corporate & Investment Banking Group	1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
N'm								
Gross earnings	14,612	15,065	14,983	12,116	-19%	41,766	56,777	36%
Interest Income	13,682	13,995	13,423	8,950	-33%	34,671	50,051	44%
Interest Expense	(10,509)	(10,748)	(9,997)	(6,189)	-38%	(27,201)	(37,443)	38%
Net Interest Income	3,173	3,247	3,426	2,761	-19%	7,471	12,608	69%
Non Interest Income	929	1,070	1,560	3,166	103%	7,094	6,726	-5%
Capital Raising/Advisory Fees	193	87	96	220	128%	461	596	29%
Brokerage Commissions	99	285	866	1,605	85%	414	2,855	589%
Net Fees & Commissions	544	587	572	1,041	82%	2,305	2,743	19%
Trading Income	30	16	(12)	4	-135%	57	38	-33%
FX Income	26	21	19	353	1754%	90	418	366%
Other Income	38	76	19	(57)	-402%	3,766	75	-98%
Operating Income	4,103	4,318	4,986	5,927	19%	14,565	19,333	33%
Operating Expenses	(3,178)	(3,165)	(3,046)	(3,385)	11%	(9,679)	(12,774)	32%
Net impairment loss on financial assets	(1,969)	(2,041)	(2,144)	(2,379)	11%	(8,972)	(8,533)	-5%
PBT	(1,044)	(888)	(204)	162	-180%	(4,086)	(1,974)	-52%
TAX	(42)	(17)	(97)	9	-109%	10	(148)	-1598%
PAT	(1,086)	(906)	(300)	171	-157%	(4,076)	(2,121)	-48%

Comments

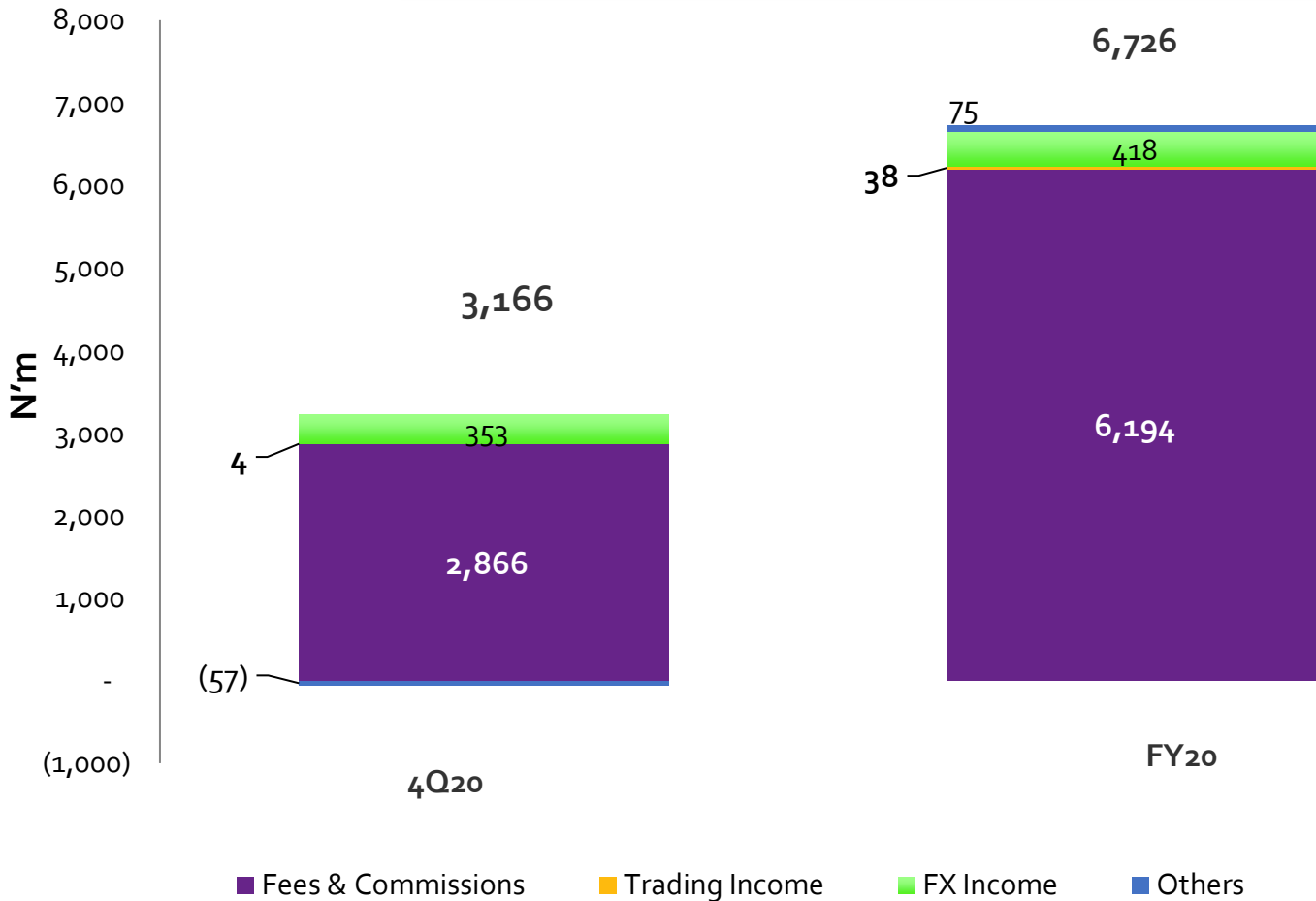
- Performance for CIB continued to trend towards profitability with a 48% YoY improvement in PAT.
- Net Interest Income dropped 19% QoQ driven by an increase in cost of funds but improved by 69% YoY to N12.6bn due to the improved yields on risk assets in 2020.
- Non-Interest Income grew 103% QoQ driven primarily by the greater than 85% growth in both brokerage fees as well as other fees and commissions. However, there was a 5% reduction YoY to N6.7bn as a result of modification losses on facilities restructured during the year.
- Operating income improved 19% QoQ and 33% YoY to N19.3bn. Operating expenses also increased by 11% QoQ and 32% YoY to N12.7bn.
- The CIB business remains focused on its return to profitability and is boosting its effort to increase non-interest income whilst also becoming more efficient with the usage of its balance sheet.

Corporate & Investment Banking Group	1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
N'm								
Loans Gross	470,382	528,168	514,761	529,444	2.9%	421,212	529,444	25.7%
Deposits	160,325	179,424	189,201	208,172	10%	125,035	208,172	66%
Total Assets	754,617	538,933	542,949	508,484	-6%	449,093	508,484	13%
Liabilities	676,440	246,576	466,982	220,039	-53%	378,742	220,039	-42%
Shareholders Funds	78,177	75,868	75,899	79,729	5%	70,351	79,729	13%
Return on Average Equity	-0.4%	-0.3%	-0.1%	0.1%	-155%	-5.8%	-2.8%	-51%
Return on Average Assets	-0.04%	-0.04%	-0.01%	0.01%	-158%	-0.73%	-0.36%	-50%
Return on Investment	-0.05%	-0.04%	-0.01%	0.01%	-157%	-0.74%	-0.39%	-48%
Net Interest Margin	2.7%	2.7%	2.8%	2.3%	-19%	1.7%	2.6%	51%
CIR	77.5%	73.3%	61.1%	57.1%	-6%	66.5%	66.1%	-1%
NPL	6,797	6,784	6,597	8,952	36%	6,199	8,952	44%
NII/Operating Income	22.7%	24.8%	31.3%	53.4%	71%	48.7%	34.8%	-29%
Contribution to Group PBT	-19.2%	-15.8%	-4.3%	2.7%	-163%	-20.3%	-9.0%	-56%
Contribution to Group PAT	-23.0%	-18.2%	-7.2%	3.0%	-142%	-23.5%	-10.8%	-54%

Comments

- Loans and deposits grew YoY primarily due to increased customer activity as well as gains from FX revaluations with Gross Loans increasing YoY by 26% to N529bn and Deposits increasing YoY by 66% to N208bn.
- Increased Net Interest Income and a slight reduction in impairment provisions are primarily responsible for the YoY improvement in ROaE. 4Q 20 recorded a marginally positive ROaE.
- NPLs increased 36% QoQ and 44% YoY due to delayed repayments on certain oil and gas downstream loans.
- CIR reduced 6% QoQ and 1% YoY to end at 66.1% for FY 20. The reduction in CIR was largely due to the improved yield on risk assets and increased fees & commissions that boosted revenue.
- Active work continues to be done to reduce the impairment costs related to the business, which should help restore profitability.

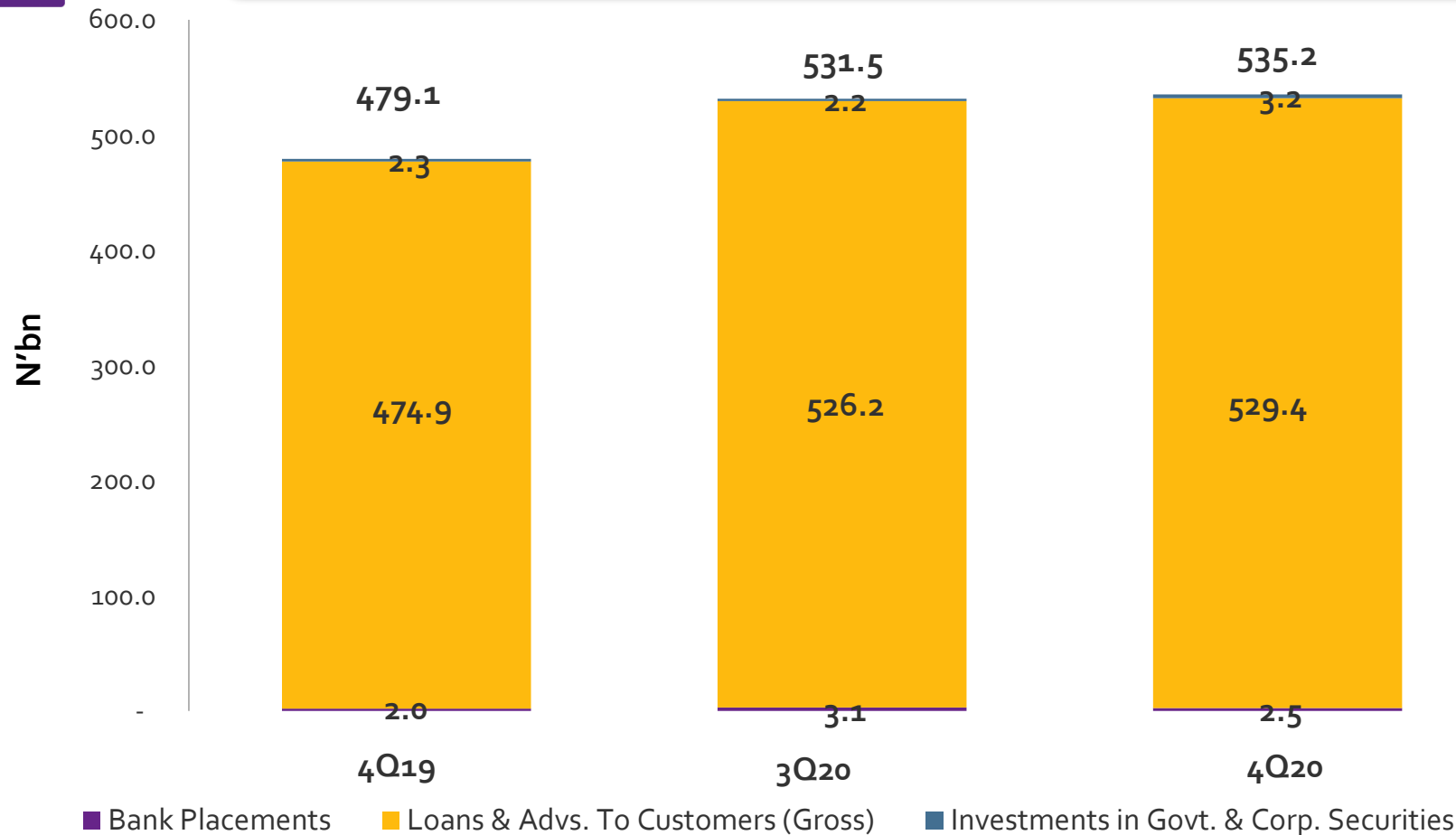
Corporate & Investment Banking: Non-Interest Income Contribution Analysis: 4Q20 vs. FY20



	4Q20	Contri. 4Q20	FY20	Contri. FY20
Fees & Commissions	2,866	91%	6,194	92%
Trading Income	4	0.1%	38	1%
FX Income	353	11%	418	6%
Other Income	(57)	-2%	75	1%
Non Interest Income	3,166	100%	6,726	100%

- Fees & Commissions contributed 92% to Non-Interest Income for FY20.
- Trading Income at 1% of Non-Interest Income for FY20 remains marginal.
- Contributions from FX income increased significantly in 4Q20 due to an increase in FX related activities.
- Other Income represents mainly dividend income received by our brokerage business, which dropped in 4Q20 as the dividend payment season wanes.

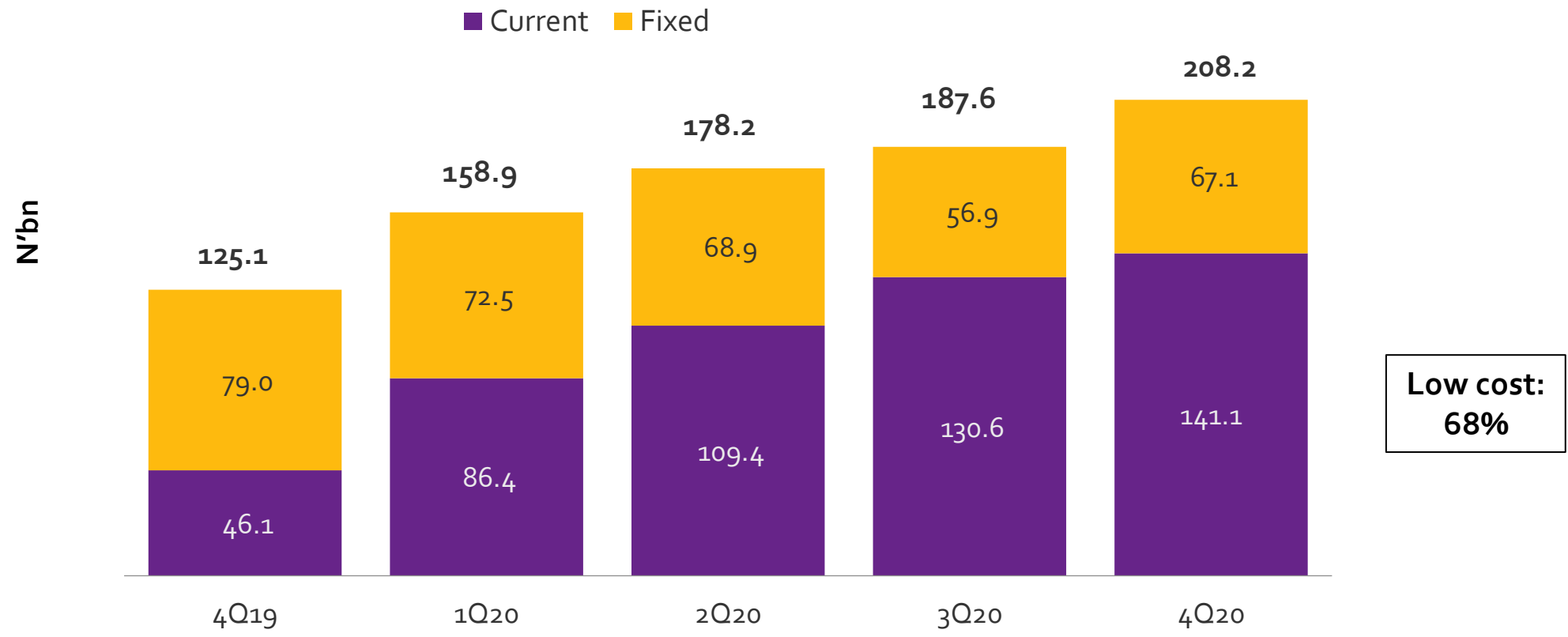
Corporate & Investment Banking: Interest Income & Earning Assets: 4Q19 vs. 3Q20 vs. 4Q20



	% Δ QoQ	% Δ YoY
Bank placements	-18%	28%
Loans and advances to customers (gross)	1%	11%
Investments in government & corporate securities	46%	40%
Total Earning Assets	1%	12%

- Total earning assets grew 1% QoQ and 12% YoY respectively. This growth was largely due to new loans to customers and FX revaluation gains.
- Gross Loans and Advances increased 1% QoQ and 11% YoY respectively. This was primarily driven by an increase in new loans to customers and some FX revaluation gains on the loan book in Q2 20. The gross loan book of NGN529.4bn represents 99% of total assets.
- Investments in Government & Corporate securities for the CIB segment increased 40% YoY due to the increase in market rates on T-Bills, Bonds and other Corporate Instruments.

Corporate Banking: Deposits Distribution by Type: 4Q19 – 4Q20



- As a result of an extensive re-engagement effort with clients, Corporate Banking’s deposits rose 11% QoQ and 66% YoY.
- 17% of Total Deposits are from the Corporate Banking segment, with 68% of these deposits being CASA deposits.

The logo for FCMB (First City Monument Bank) is located in the top left corner. It consists of the letters "FCMB" in white, bold, sans-serif font, positioned above two horizontal yellow bars. The entire logo is set against a dark purple square background.

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Risk Management Review

Mrs. Toyin Olaiya
Chief Risk Officer: FCMB Ltd

Risk Management Review: Analysis of Gross Loans by Sector (Dec. 2019 to Dec. 2020) – N'm

Industry Sector	Dec. 19	Mar. 20	Jun. 20	Sept. 20	Dec. 20	% DISTR.
Agriculture	51,352	44,704	45,372	47,450	60,828	7.0%
Commerce	46,637	58,172	67,850	63,237	51,425	5.9%
Construction	1,215	1,151	1,042	1,004	414	0.0%
Education	1,856	1,594	2,278	2,246	2,606	0.3%
Finance & Insurance	52,934	65,931	72,578	66,473	67,692	7.8%
General – Others	10,266	10,470	8,401	10,456	9,798	1.1%
Government	19,125	11,988	11,343	9,539	10,714	1.2%
Individual - Bank	87,856	93,529	96,660	105,058	110,063	12.7%
Individual - CDL	23,959	24,526	23,995	23,177	24,244	2.8%
Individual - Microfinance	2,245	1,898	1,773	2,364	2,269	0.3%
Information & Communications	26,538	26,894	27,509	22,474	19,501	2.2%
Manufacturing	76,381	83,758	83,037	78,508	91,389	10.5%
Oil & Gas- Downstream	48,411	56,652	62,950	62,389	61,398	7.1%
Oil & Gas – Upstream	129,184	138,711	140,829	137,715	143,058	16.5%
Oil & Gas Services	39,282	44,863	45,958	46,899	46,910	5.4%
Power & Energy	49,228	52,240	56,517	60,297	61,414	7.1%
Professional Services	729	642	608	523	881	0.1%
Real Estate	80,722	83,515	86,946	98,565	99,068	11.4%
Transportation & Logistics	6,256	6,239	6,206	6,137	5,230	0.6%
Total	754,178	807,477	841,852	844,510	868,900	100%

15.2% growth YoY was largely driven by growth in some focused sectors (Commerce, Individual, Manufacturing, Agriculture, Education) and induced growth in some sectors caused by 9.8% YoY movement in exchange rate

Risk Management Review: NPL Distribution by Sector (Dec. 2019 vs. Sept. 2020 vs. Dec. 2020) – N'm

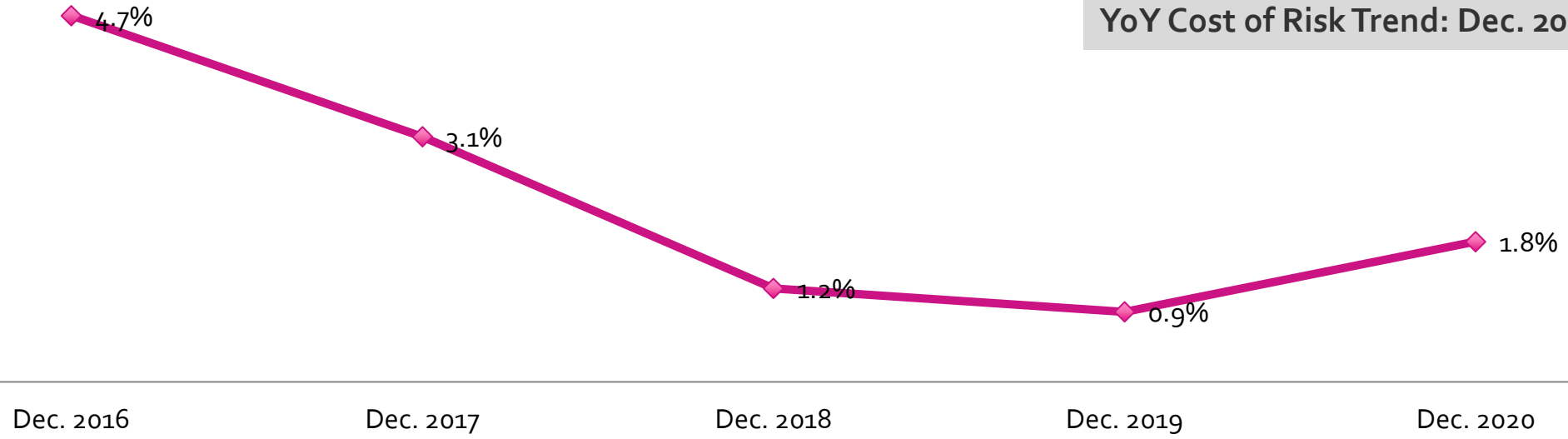
BUSINESS SEGMENT	Dec. 2019		Sept. 2020		Dec. 2020	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	479.48	0.9%	931.38	2.0%	760.63	1.3%
Commerce	3,222.52	6.9%	3,979.39	5.4%	3,573.54	6.9%
Construction	10.35	0.9%	3.68	0.4%	1.57	0.4%
Education	30.25	1.6%	124.34	5.5%	89.31	3.4%
Finance & Insurance	1,203.67	2.3%	1,167.77	1.8%	38.63	0.1%
General – Others	127.98	1.2%	395.41	3.8%	532.06	5.4%
Government	1.55	0.0%	0.02	0.0%	0.04	0.0%
Individual - Bank	6,691.10	7.6%	7,711.29	7.3%	5,842.47	5.3%
Individual - CDL	1,448.75	6.0%	3,285.57	14.2%	3,132.66	12.9%
Individual - Microfinance	17.99	0.8%	94.48	4.0%	84.25	3.7%
Information & Communications	4,053.31	15.3%	3,914.35	17.4%	1,660.66	8.5%
Manufacturing	1,756.23	2.3%	2,017.94	2.6%	152.80	0.2%
Oil & Gas- Downstream	1,130.57	2.3%	6,046.36	9.7%	5,739.03	9.3%
Oil & Gas – Upstream	1,000.35	2.5%	1,014.01	0.7%	977.25	0.7%
Oil & Gas Services	24.61	0.0%	0.01	0.0%	0.33	0.0%
Power & Energy	-	0.0%	0.00	0.0%	-	0.0%
Professional Services	0.16	0.0%	0.64	0.1%	27.00	3.1%
Real Estate	6,383.23	7.9%	6,890.50	7.8%	5,955.20	6.0%
Transportation & Logistics	44.78	0.7%	38.30	0.6%	0.03	0.0%
Total	27,626.87	3.7%	37,615.42	4.5%	28,567.45	3.3%

3.4% YoY growth in NPL is largely from the Oil & Gas Downstream and Individual sectors' loan book.

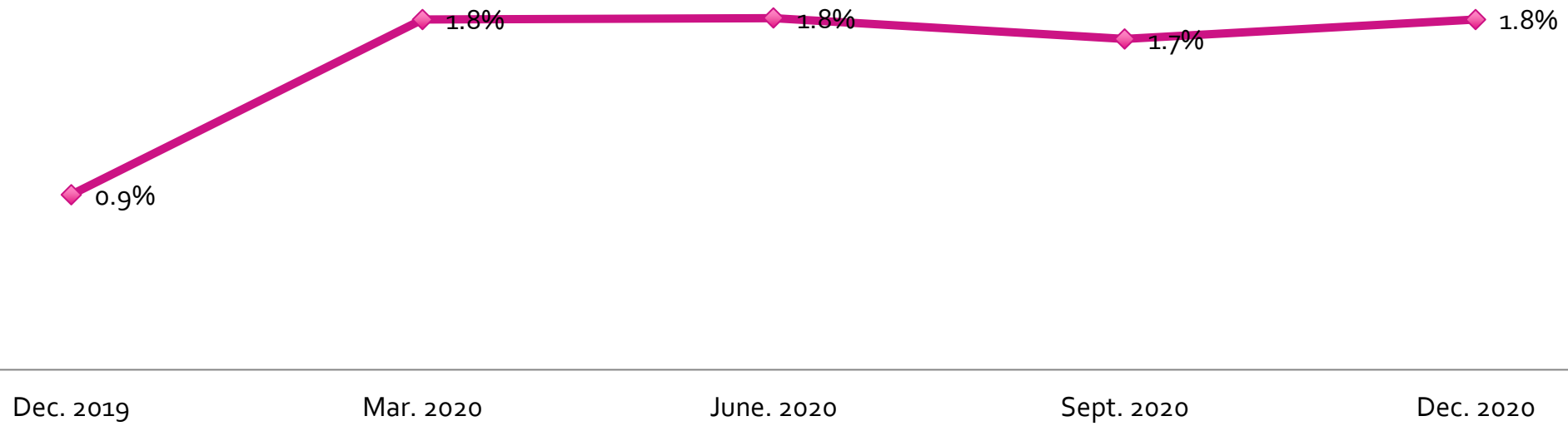
Risk Management Review: YoY & QoQ Cost of Risk Trend Analysis

0.9% YoY growth in Cost of Risk was largely due to impact of COVID on Impairment charge and recovery.

YoY Cost of Risk Trend: Dec. 2016 – Dec. 2020



QoQ Cost of Risk Trend: Dec. 2019 – Dec. 2020



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Group Performance Review: Investment Management

**Mr. James Ilori - Chief Executive
Officer: FCMB Asset Management
Ltd**

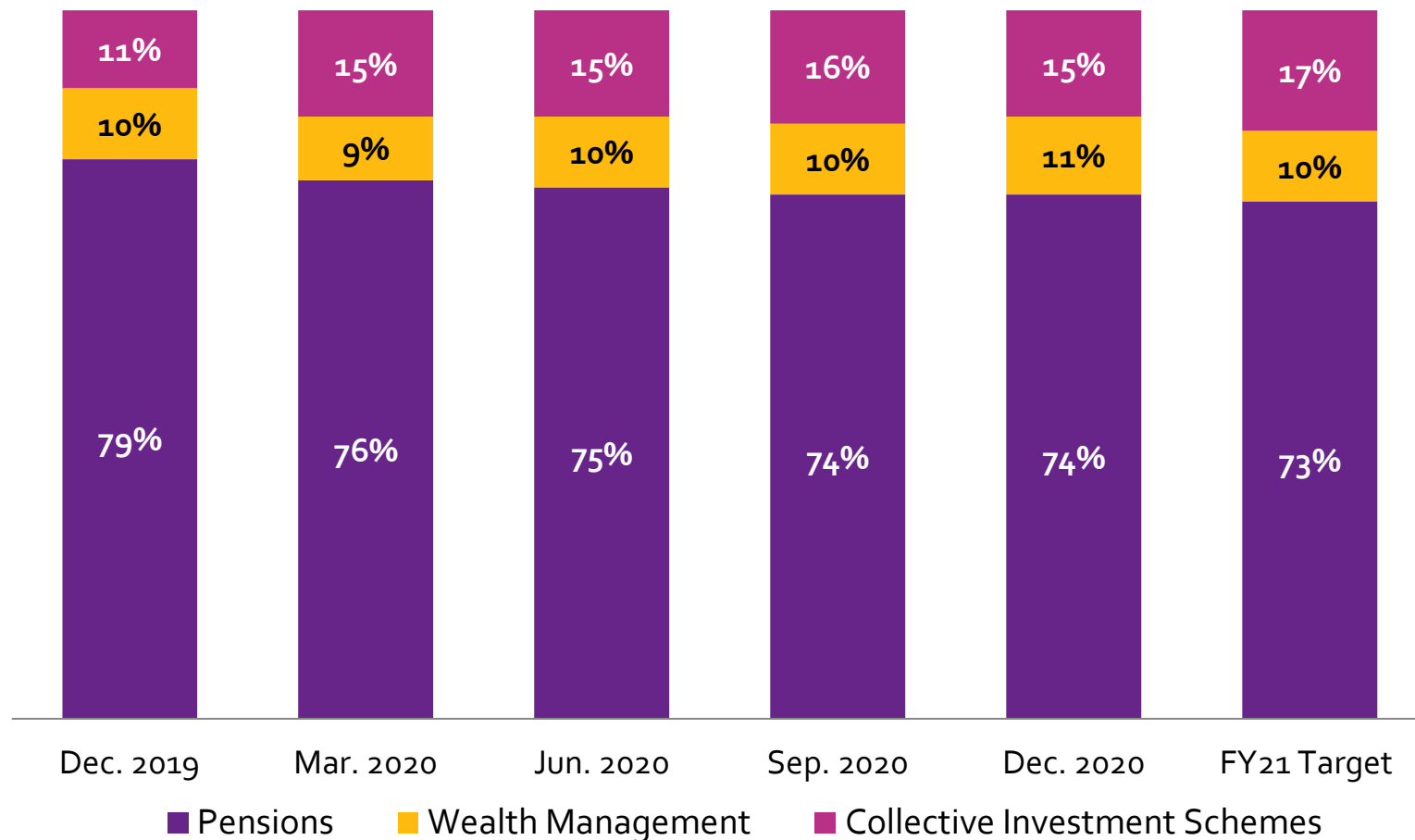


Investment Management Group	1Q20	2Q20	3Q20	4Q20	%Δ QoQ	FY19	FY20	%Δ YoY
N'm								
Gross earnings	1,106	1,107	1,103	1,236	12%	4,119	4,553	11%
Net Interest Income	51	32	37	31	-17%	324	151	-54%
Non-Interest Income	1,055	1,074	1,066	1,205	13%	3,795	4,402	16%
- Advisory Fees	25	22	37	31	-17%	70	116	65%
- Brokerage Commission	19	16	8	8	-2%	90	52	-42%
- Asset Management Fees	998	1,025	1,009	1,106	10%	3,385	4,139	22%
- Others	12	10	12	60	413%	249	95	-62%
Operating Income	1,106	1,107	1,103	1,236	12%	4,119	4,553	11%
Operating Expenses	(632)	(592)	(620)	(670)	8%	(2,407)	(2,515)	4%
Net gains/(losses) from fin. instruments at fair value	0	1	0	(2)	n/a	0	(2)	n/a
PBT	474	515	483	564	17%	1,712	2,036	19%
PAT	335	363	340	359	5%	1,224	1,398	14%
AUM	427,117	454,991	462,059	495,220	7%	403,148	495,220	23%
ROAE	31%	32%	29%	30%	6%	26%	30%	15%
CIR	57%	54%	56%	54%	-4%	58%	55%	-5%

Comments

- Assets Under Management increased by 23% year-on-year, to N495 billion. 55% of the growth in AUM was from new inflows;
- Our Pensions business contributed 74% of the N495 billion AUM achieved, compared with 79% of AUM in 2019;
- The number of Retirement Savings Accounts grew by 4% year-on-year, to 450,929. Registrations via our digital Platform accounted for 23% of the increase;
- Cost-to-Income Ratio fell by 5% year-on-year, due to increased revenue, Covid-19 lockdown/restriction related cost savings, and increased use of technology in service delivery.

Investment Management Group - Contribution to AUM



Comments

- We expect the Group's full year AUM to grow by 19% year-on-year, to N588 billion. This does not include the potential impact of the planned acquisition of AllCO Pension Managers Ltd. With respect to the AllCO transaction, we have secured regulatory approval from 3 out of the 4 regulatory agencies involved and are waiting for final approval from the industry regulator;
- We project a net gain from the Pensions' transfer window this year. Also, RSA registration via our online Platform is expected to contribute 45% of the projected increase in new RSAs;
- Contribution to AUM from Collective Investment Schemes and Wealth Management should account for 27% of total AUM, by the end of the year;
- We expect full year PBT to grow by 19% year-on-year, to N2.4 billion, with our Pensions business contributing 62% of the total.

Our Investment Management Group is divided into Pensions, Wealth Management and Collective Investment Schemes

FCMB



Outlook

Mr. Ladi Balogun: Group Chief
Executive FCMB Group Plc



2021 Outlook:

While it is estimated that the global economy will resume its growth in 2021, it is anticipated that Nigeria will experience very modest growth, with the IMF forecasting 1.7% for the country.

- ❖ Innovation and efficiency gains will be the key pillars on which we seek to grow earnings in the near future.
- ❖ We expect that 2021 will continue the strides we made in our digital initiatives, especially digital lending, and payments driven by customer and merchant acquisition.
- ❖ Process automation and continued migration to digital channels will drive efficiency improvements.
- ❖ We anticipate that the contribution of asset and wealth management to our overall earnings to increase as a result of both organic and inorganic growth.
- ❖ Asset quality will remain a key area of focus as we seek to minimise the impact of Covid on the portfolio