



FIRST CITY MONUMENT BANK PLC

Facts Behind the Figures

Presentation to the Members of The Nigerian Stock Exchange

By

Ladi Balogun
MD/CEO

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Environmental Analysis

- ▶ Economic indicators show signs Nigeria's economy is steadily improving with the economic reforms yielding positive results:

KEY ECONOMIC INDICATORS	2001	2002	2003	2004	2005	Jul-06
GDP (Oil)	112.41	106.01	131.34	136	136.4	N/A
GDP (Non-Oil)	319.37	345.78	363.67	392	424.1	N/A
External Reserves (USD'Billion)	10.3	8	7.5	17	28.3	38.07
Exchange Rate	126.8	130.2	129.36	134	131.7	127.11
Inflation Rate (%)	18.9	12.9	14	13	11.6	3

- ▶ GDP grew by 6.2% in 2005. For the first time in decades, non-oil sector grew by 7%, which is higher than the oil sector growth rate;
- ▶ External Reserves now capable of financing 32 months of imports;
- ▶ Exchange Rate has witnessed a long period of stability; and
- ▶ Inflation now under control and in single digits.

Environmental Analysis

- ▶ The consolidation of the banking industry has strengthened the industry and created a larger field for fewer players;
- ▶ Liberalisation of foreign exchange market has widened the scope of foreign exchange transactions for banks and brought about convergence of official and parallel market rates;
- ▶ Nigeria's foreign reserves have steadily appreciated to about US\$38 billion even after a debt repayment of US\$18 billion to the Paris Club ;
- ▶ Our exit from the Paris Club greatly influenced a BB-sovereign credit rating from Fitch and Standard & Poors, increasing investor confidence in the country, resulting in significant increase in foreign direct and portfolio investments.

Environmental Analysis

- ▶ Commitment to the implementation of reform programs will only improve the promising situation;
- ▶ The implementation of the Pension Reform Act has led to the creation of a new professional investor class and potential for significant depth in capital markets and asset management activities (e.g. new types of securities and derivatives);
- ▶ Pension contributions are estimated to reach N600 billion by 2011;
- ▶ The economy is also witnessing the development of a viable bond market. FCMB amongst 15 primary dealers appointed;
- ▶ The privatisation of public enterprises will improve infrastructural development and create new banking and investment opportunities, which will further encourage foreign direct investment and build on the favorable reviews Nigeria is currently enjoying in the international market.

Current Position Assessment

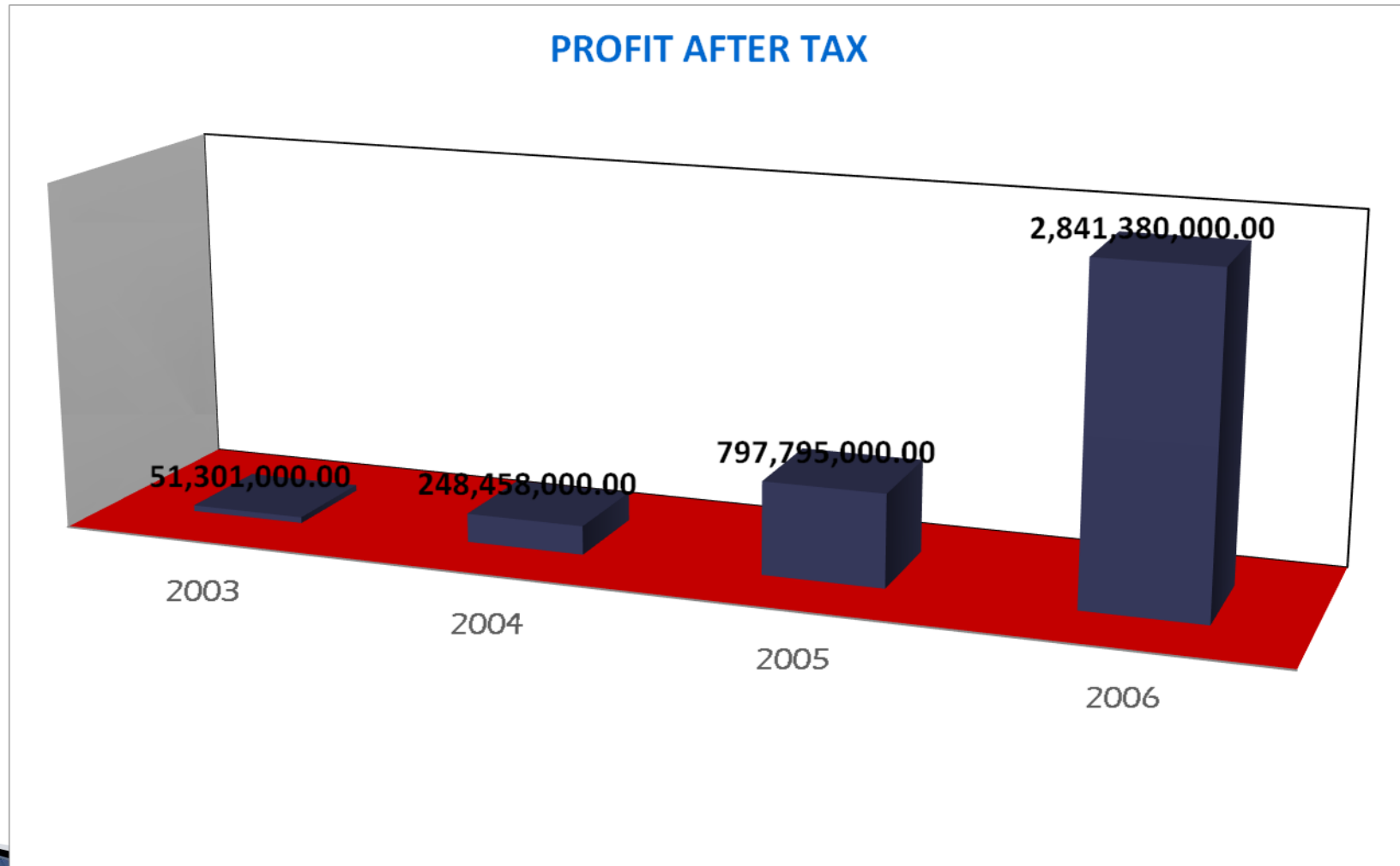
Current Position Assessment

- ▶ FCMB PLC is well positioned to benefit from this promising economic direction;
- ▶ From a modest branch network of 26 branches in 2004, we now boast of a branch network in excess of 104 branches, with an additional 20 to be opened before the end of the financial year;
- ▶ The Bank also deployed a new retail focused banking application, FINACLE;
- ▶ Currently the fastest growing bank by way of PBT, total assets and deposits; and
- ▶ Top 12 in terms of profitability, rapidly approaching top 10.

April 2006 Performance

Snapshot, Ratios & Trends

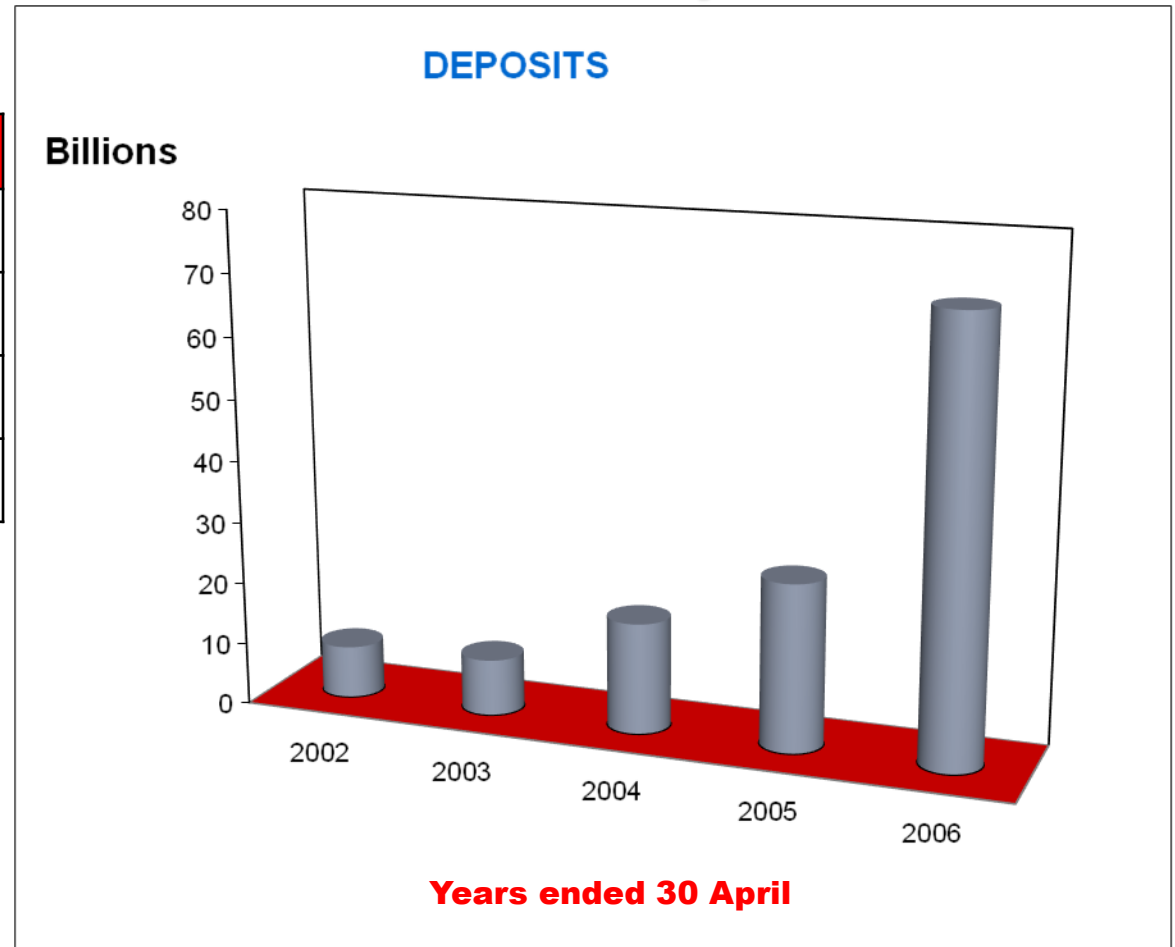
April 2006 Performance: Profit After Tax



Years ended 30 April
2006 figures include impact of mergers

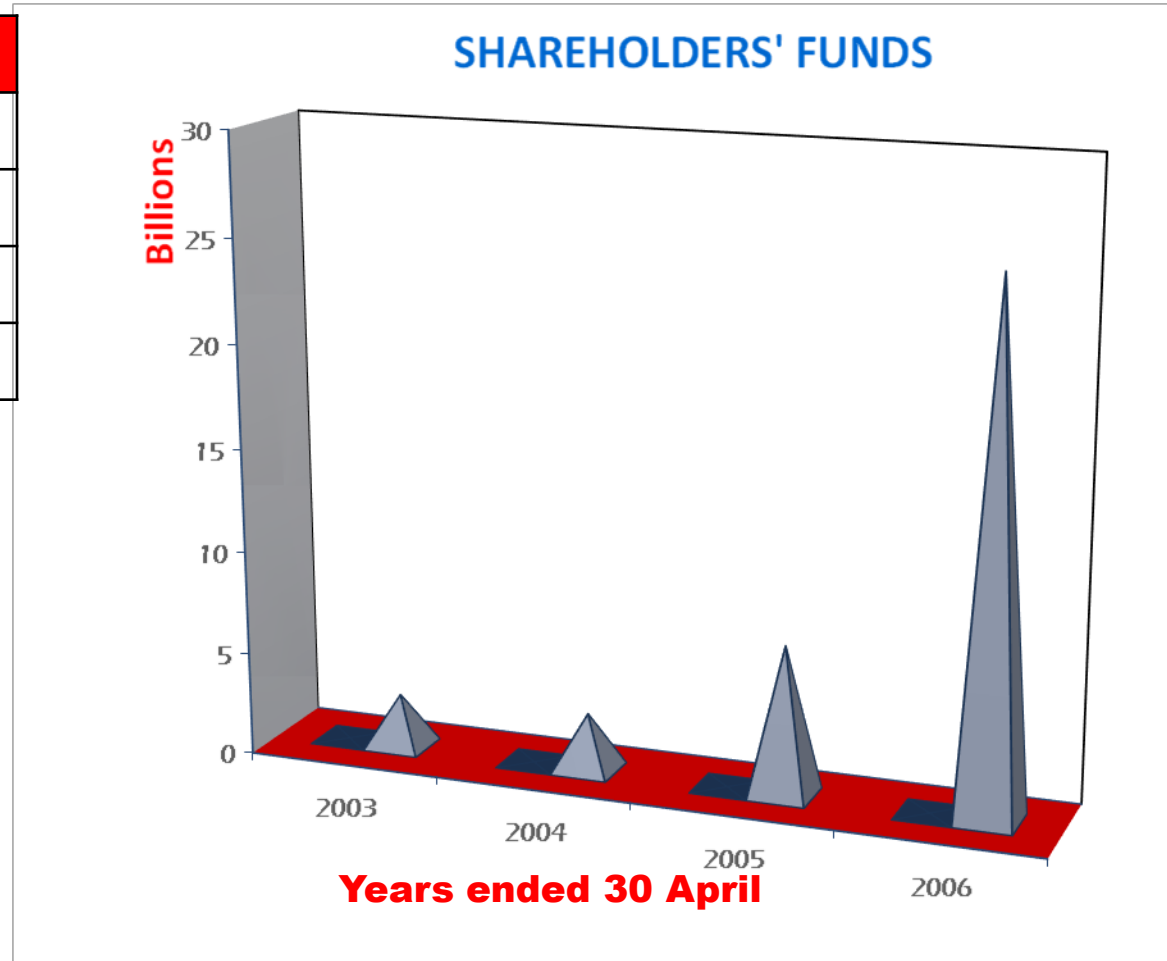
April 2006 Performance: Total Deposits

YEAR	TOTAL DEPOSITS
2003	9,215,514,000
2004	18,019,379,000
2005	27,123,092,000
2006	70,296,796,444



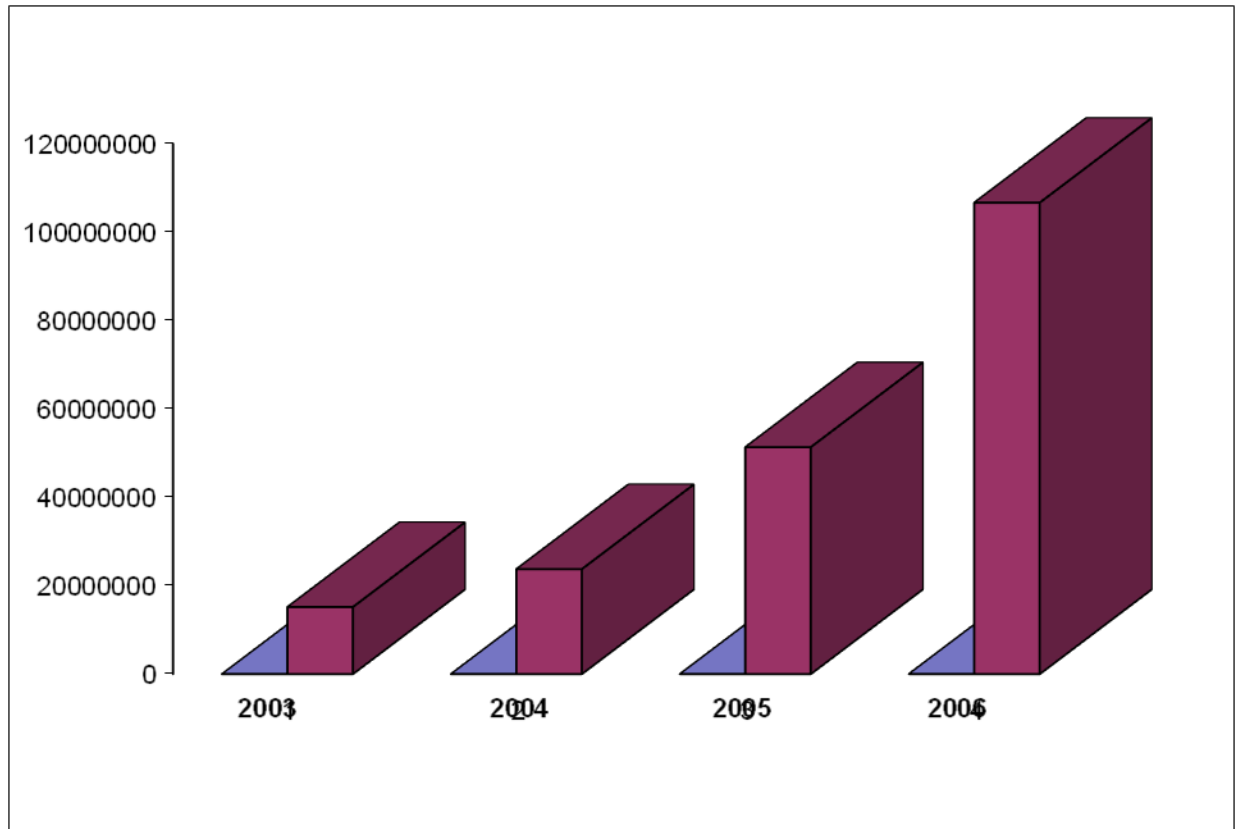
April 2006 Performance: Shareholders' Funds

YEAR	S'HOLDERS' FUNDS
2003	2,558,586,000
2004	2,757,044,000
2005	7,216,216,000
2006	25,163,007,000



April 2006 Performance: Total Assets

YEAR	TOTAL ASSETS
2003	15,164,119,000
2004	23,736,249,000
2005	51,318,268,000
2006	106,611,289,000



April 2006 Performance:

Snapshot – Profit & Loss Account

	ACTUAL	ACTUAL	% GROWTH
	APRIL 05	APRIL 06	
	N'000	N'000	
GROSS EARNINGS	6,121,037	10,964,911	79%
PROFIT BEFORE TAXATION	1,093,047	3,640,349	233%
TAXATION	(295,252)	(798,969)	171%
PROFIT AFTER TAXATION	797,795	2,841,380	256%

April 2006 Performance: Snapshot – Balance Sheet

	ACTUAL	ACTUAL	%
	APRIL 05	APRIL 06	GROWTH
	N'000	N'000	
TOTAL ASSETS	51,318,268	106,611,289	108%
DEPOSITS	26,857,412	70,296,796	162%
TOTAL ASSETS + CONTINGENTS	63,253,898	124,577,521	97%

**Q1 - July 2006
Performance Snapshot**

First Quarter (July 2006): Performance Snapshot

	ACTUAL	ACTUAL	% GROWTH
	JULY 05	JULY 06	
	N'000	N'000	
GROSS EARNINGS	1,750,981	5,307,422	203%
PROFIT BEFORE TAXATION	455,183	1,401,946	208%
TAXATION	(95,588)	(294,409)	208%
PROFIT AFTER TAXATION	359,595	1,107,537	208%

April 2006 Performance: Ratios

	ACTUAL	ACTUAL
	APRIL 05	APRIL 06
RETURN ON AVERAGE ASSETS	2%	4%
RETURN ON AVERAGE EQUITY	16%	18%
COST/INCOME RATIO	71%	56%

Facts behind the Figures

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- ▶ **Pursued quick wins in parallel with long term initiatives.**
 - With increased network and financial capacity, focused on growing business volumes with existing tested customers;
 - Enhanced relationships inherited from the mergers with Nigerian American Bank and Cooperative Development Bank and the acquisition of Midas. Over 75% of top accounts have been successfully reactivated and several are amongst our most profitable names.
- ▶ Renewed focus on other high margin fee earning business (such as treasury activities, structured trade and corporate finance). Structured trade lines from multilaterals and correspondent banks grew by over 300% to US\$200million. Expect to double (i.e. grow by US\$200million) in current financial year, excluding US\$150 million lines expected a major international institution to develop the mortgage business.
- ▶ **Successful execution cash management strategy and e-business solutions, particularly with corporates:**
 - FCMB is amongst the leading banks on Interswitch driven e-payment solutions with over N3bn monthly payments being channeled through such sources in a month for customer such as FIRS, Multichoice, PHCN etc. contributing to the increase in commissions of 97% and current account balances by a significant margin in the financial year.

Facts behind the Figures

← Branch/Channel Growth

- 40 new branches have contributed significantly to 79% growth in gross earnings and 162% growth in deposits
- New branches expected to break even by 2007

← The Intangibles

- Recognition of the brand as a skillful, resourceful and reliable provider of financial services
- Depth and breadth of quality in our people and management. Exceptionally high levels of commitment and enthusiasm.

Update on Initiatives

Update on Initiatives

▶ Consumer Banking/ Sabre Capital Partnership

- MOU signed in July 2006
- Business Plan concluded and approved
- Staffing Plan and Product development initiated
- Product launches to begin by November 2006
- Senior executive candidates at board level identified
- Network of international investors have shown strong interest in FCMB stock and Sabre Partnership story. Likely to culminate in N9billion secondary market international placement
- Board appointments imminent.
- Impact will begin to be felt in 2007.

▶ Mortgage Lending

- Subsidiary - FCMB Home Loans Limited incorporated
- Initial US\$ 150million 15-year funding from international institution to close by December 2006.
- Up to US\$200 million of additional funding sources identified
- 15 to 20 year mortgage loans will begin to be disbursed by January 2007 (before financial year end)
- To grow mortgage loan book to over N100billion by 2011, and hopefully feed capital markets with mortgage backed securities by end of next year

Update on Initiatives

← Micro-Lending

- Credit Direct - our micro lending subsidiary incorporated, technology installed and tested. Disbursements to begin by November 1 2006. Aim to be the largest provider of unsecured personal micro loans in the market.
- Target N8bn loan book within 3 years, with N2.4bn PBT.

← Channel Expansion

- Branch network now 104. Will reach 120 by financial year end. 30 ATMs in place. Target of 100 ATMs by April 2007. Customer Call/Contact Centre will be deployed by April 2007.

← International expansion

- Advanced stages of closing a West African acquisition

Update on Initiatives

← Reserve Management

- Selection process for a strategic partner nearing completion. Aim to qualify for CBN mandate of US\$500 million before the end of November.

← Further Consolidation

- Already taking a proactive role in further rounds of market-driven consolidation.

Future Strategy

Future Strategy

- ← Consumer Banking will be the largest revenue earner for the Bank within 5 years, with mortgages, personal loans, and wealth management being the key focus.
- ← Corporate and Commercial banking will focus on high growth sectors: telecommunications, oil and gas, transportation, construction and building materials.
- ← Cross selling will remain a key selling proposition.
- ← Renewed focus on investment management and investment banking.

Financial Projections

Profit Forecast

Year ended 30 April	2007	2008	2009
	N'm	N'm	N'm
Gross Income	27,056	40,760	58,438
Interest Income	15,333	28,430	41,502
Interest Expense	-8,378	-13,227	-19,472
Net Interest Income	6,955	15,203	22,030
(Provision)/write back for loan losses	-990	-1,679	-2,476
Other Operating Income	11,723	12,330	16,936
Operating Expenses	-10,629	-14,211	-18,488
Profit Before Taxation	7,059	11,643	18,002
Taxation	-1,482	-2,329	-3,600
Profit After Taxation	5,577	9,314	14,402
Dividend	-2,376	-4,657	-7,201
SME Reserve	-558	-931	-1,440
Statutory Reserves	-1,673	-2,794	-4,321
Retained Profit	970	931	1,440

Projected Statistics

	2007	2008	2009
NUMBER OF SHARES (N'MILLION)	9,502	11,502	11,502
EARNING PER SHARE - KOBO	0.59	0.81	1.25
DIVIDEND PER SHARE - KOBO	0.25	0.35	0.45
AVERAGE INDUSTRY P/E RATIO	15	15	15
PROJECTED MARKET PRICE BASED ON AVERAGE P/E RATIO	8.80	12.15	18.78
PROJECTED MARKET CAPITALISATION - (N'MILLION)	83,651	139,710	216,030

Forecasts

- ▶ We have consistently surpassed projections since we became publicly quoted.
 - For financial year end 2006 we surpassed PBT forecasts by 18%.
 - Dividend forecast equally surpassed by 8%, inspite of challenges with BOFIA.
- ▶ Forecast PBT for April 2007 is N7.059bn. This represents 94% growth on April 2006 actual performance.
- ▶ Q1 performance suggests forecast full year PBT should be achieved.
- ▶ At industry average PE ratio of 15x, projected market price of N8.80 in 2007.
- ▶ Based on yesterday's closing price of N5.21, potential capital appreciation of over 50% in the next twelve months is attainable assuming industry P/Es do not experience a dramatic fall.

Q & A Session