

FCMB



9M2019 Results

INVESTORS & ANALYSTS PRESENTATION
5 DECEMBER 2019





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Introduction

Mr. Ladi Balogun
Group Chief Executive: FCMB Group Plc





Results reveal a number of positive highlights, despite numbers trailing QoQ and YoY, which point to the fact that we continue to create value in the business

01 AUM Growth
23% YoY from N289bn to N356.5bn

Customer Acquisition Growth
27% YoY from 4.6m to 5.9m

02 **03** Unit economics of customer activity is improving as more customers move to Digital
69% YoY from 2.4m to 4.1m

Impairments coming under control
29% YoY drop from 1.6% to 1.1%

04 **05** Deposit Growth
14% YoY from N755.9bn to N863.4bn

Revenue growth in Personal & Business Banking
14% YoY from N50bn to N56.9bn



Building Resilience:

- ❖ At 17.56%, Capital Adequacy Ratio (CAR) is comfortably above regulatory threshold of 15%. We remain on course to close a tier 2 offering before end January 2020. We will continue to reinforce our CAR, inspite of pressures to meet Loan to Deposit Ratio.
- ❖ Liquidity ratio at 39.8%. Aided by robust growth in retail deposits.



Diversification:

- ❖ Customer strength, across our group of companies, has grown 9% QoQ from 5.9 million¹ as at June 2019 to 6.4 million¹ as at September 2019.
- ❖ Personal and business banking account for 73%, 29% an 71% of deposits, assets and revenue respectively.
- ❖ Non-banking activities account for 11% of PBT, largely driven by asset management. FCMB Asset Management saw a 78% YTD growth in AUM from N41.2bn to 73.6bn, as we have developed an effective distribution model leveraging the banks growing customer base.



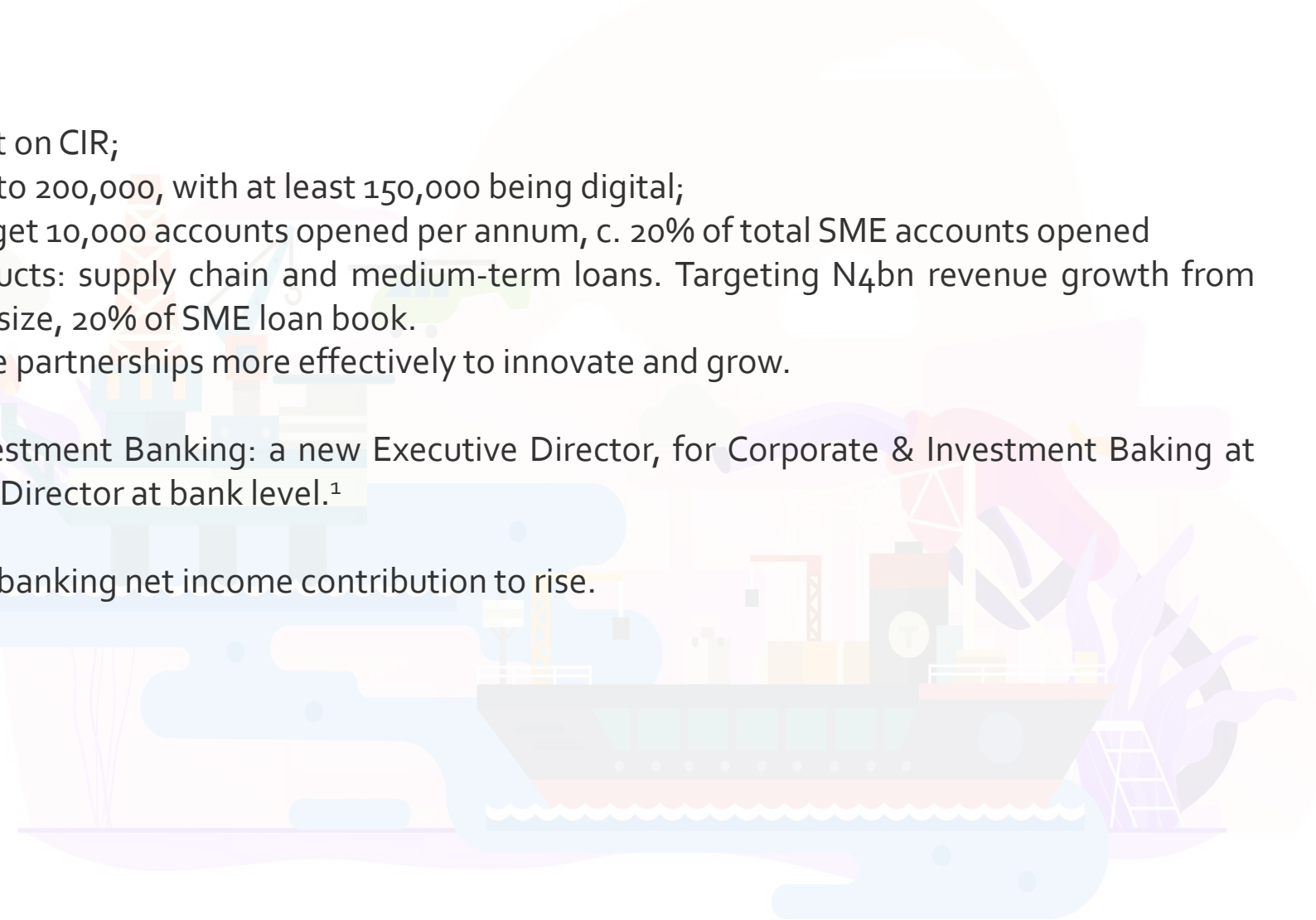
Innovation:

- ❖ **Mobile banking & USSD Commissions:** Average of N171.7m in monthly Revenue up 87% YoY
- ❖ **Total digital loans:** Average of N219.3m in monthly Revenue and up c. 559% YoY. Making up 21% of Personal & Business Banking loan book.
- ❖ **Transactions on our New App:** Volumes grew from N3bn in 2Q19 to N16.7bn in 3Q19. This fully customisable platform will serve as the foundation for turning our mobile channels into a financial marketplace.
- ❖ Notably, mobile self-service has made Contact Centre calls drop by 7% in 12 months.

Notes:

1. This figure includes total customer numbers for the Bank, active Easy Account holders; Credit Direct Ltd customers; total no. of registered RSAs (less invalids) with FCMB Pensions Ltd.

- ❖ Accelerate the digital transformation of Personal & Business Banking: which will improve scale, profitability and customer experience.
- ❖ Continue digital transformation:
 - ❖ CDL goes digital – positive impact on CIR;
 - ❖ Customer acquisition to ramp up to 200,000, with at least 150,000 being digital;
 - ❖ SME online account opening: Target 10,000 accounts opened per annum, c. 20% of total SME accounts opened
 - ❖ Digitise more SME lending products: supply chain and medium-term loans. Targeting N4bn revenue growth from digital SME lending. N25bn book size, 20% of SME loan book.
 - ❖ API architecture will enable us use partnerships more effectively to innovate and grow.
- ❖ Resume growth in Corporate and Investment Banking: a new Executive Director, for Corporate & Investment Banking at Holdco level and a new Non-Executive Director at bank level.¹
- ❖ Accelerate Wealth Management. Non-banking net income contribution to rise.
- ❖ New reporting format from 2020:
 - ❖ Commercial & Retail Banking;
 - ❖ Corporate & Investment Banking;
 - ❖ Asset & Wealth Management.



Notes:

1. Biographies of these 2 directors can be found in the appendix.



9M19 Results Overview: FCMB Group Plc

Mr. Kayode Adewuyi
Chief Financial Officer: FCMB Group Plc



Group Performance Highlights: ROaE and ROaA declined QoQ and YoY, driven by reduction in NIM and increase in OPEX. NPLs declined and, consequently, reduction in cost of risk.

Performance Index		1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
Operating	Return on Average Equity	7.9%	8.4%	7.0%	-17%	8%	7.8%	-6%
	Return on Average Assets	1.0%	1.1%	0.9%	-17.6%	1.2%	1.0%	-19.9%
	Loan/Deposit Ratio	73.9%	75.1%	73.9%	-1.6%	79.6%	73.9%	-7.2%
	Loan/Funding Ratio	55.6%	51.7%	57.4%	10.90%	60.9%	57.4%	-5.78%
	Cost/Income Ratio	75.0%	72.1%	78.8%	9.4%	65.9%	75.4%	14.4%
	Net Interest Margin	7.6%	7.6%	7.0%	-8.5%	7.8%	7.5%	-3.7%
	NPL/Total Loans	4.3%	4.3%	3.5%	-19.2%	5.1%	3.5%	-31.7%
	Coverage Ratio ¹	145.8%	157.2%	147.8%	-6.0%	145.3%	147.8%	1.7%
	NII/Operating Income	29.3%	27.6%	41.1%	48.6%	38.3%	32.9%	-14.0%
	Financial Leverage	7.7	7.9	7.9	0.4%	6.7	7.9	17.7%
	Cost of Risk	1.0%	1.8%	0.6%	-63.2%	1.6%	1.1%	-29.0%
Capital & Liquidity	Capital Adequacy Ratio	16.4%	16.3%	17.56%	7.7%	17.05%	17.56%	3.0%
	Liquidity Ratio	47.7%	40.2%	39.8%	-1.0%	50.5%	39.8%	-21.3%
Investment	Share Price	1.86	1.63	1.65	1.2%	1.70	1.65	-2.9%
	NAV(N'B)	187.9	189.0	188.0	-0.5%	178.9	188.0	5.0%
	Dividend (Kobo)	0	0	0	0.0%	0	0	0.0%
	EPS (Kobo)	18.19	19.67	16.37	-16.8%	57.27	54.23	-5.3%
Others	Opex (N'B)	19.7	19.9	23.5	17.8%	56.9	63.2	11.1%
	Risk Assets (net) (N'B)	615.2	617.9	638.1	3.3%	601.9	638.1	6.0%
	Customer Deposits (N'B)	831.9	823.0	863.4	4.9%	755.9	863.4	14.2%

FCMB's Operating Companies' Contribution to Profitability

N'm	PBT	PAT	Revenue	ROAE	NAV	% Contribution to Group PBT
<i>Commercial & Retail Banking Group</i> ¹	11,356	9,726	132,508	7.3%	172,082	89%
<i>Asset & Wealth Management Group</i> ²	1,152	670	2,982	24.7%	4,693	9%
<i>Investment Banking Group</i> ³	126	72	1,110	3.2%	3,645	1%
<i>FCMB Group Plc (Separate)</i>	245	245	967	n/a	128,578	2%
FCMB Group Plc (consolidated)	12,803	10,791	135,824	7.5%	187,964	100%

Notes:

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

Group Statements of Comprehensive Income: PBT declined 12% QoQ and 13% YoY driven mainly by QoQ decrease in Net Interest Income and an 83% YoY reduction in FX Income, due to exceptional gains earned on convergence of NIFEX and I&E window rates in prior year

N'm	1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
Revenue	43,904	45,882	46,038	0.3%	132,875	135,824	2.2%
Interest Income	34,405	35,973	31,423	-12.6%	95,417	101,802	6.7%
Interest Expense	(15,787)	(15,937)	(13,846)	-13.1%	(42,182)	(45,570)	8.0%
Net Interest Income	18,618	20,036	17,577	-12.3%	53,235	56,231	5.6%
Non Interest Income	7,706	7,646	12,242	60.1%	33,029	27,593	-16.5%
- Net Fees & Commissions	4,958	5,143	5,207	1.2%	15,460	15,308	-1.0%
- Trading Income	2,162	1,377	1,303	-5.4%	4,581	4,842	5.7%
- FX Income	483	488	779	59.6%	10,390	1,750	-83.2%
- Others	104	637	4,953	677.7%	2,598	5,694	119.2%
Operating Income	26,324	27,682	29,819	7.7%	86,264	83,824	-2.8%
Operating Expenses	(19,742)	(19,949)	(23,503)	17.8%	(56,870)	(63,194)	11.1%
Net impairment loss on financial assets	(2,285)	(3,213)	(2,353)	-26.8%	(14,627)	(7,852)	-46.3%
Net gains/(losses) from fin. instruments at fair value	0	0	25	n/a	0	25	n/a
PBT	4,296	4,520	3,987	-11.8%	14,767	12,803	-13.3%
PAT	3,618	3,912	3,262	-16.6%	11,341	10,791	-4.8%

Group Performance Review: Commercial & Retail Banking

Mr. Adam Nuru
Managing Director: FCMB Ltd



9M19 Segment & Subsidiaries Highlights

Personal Banking

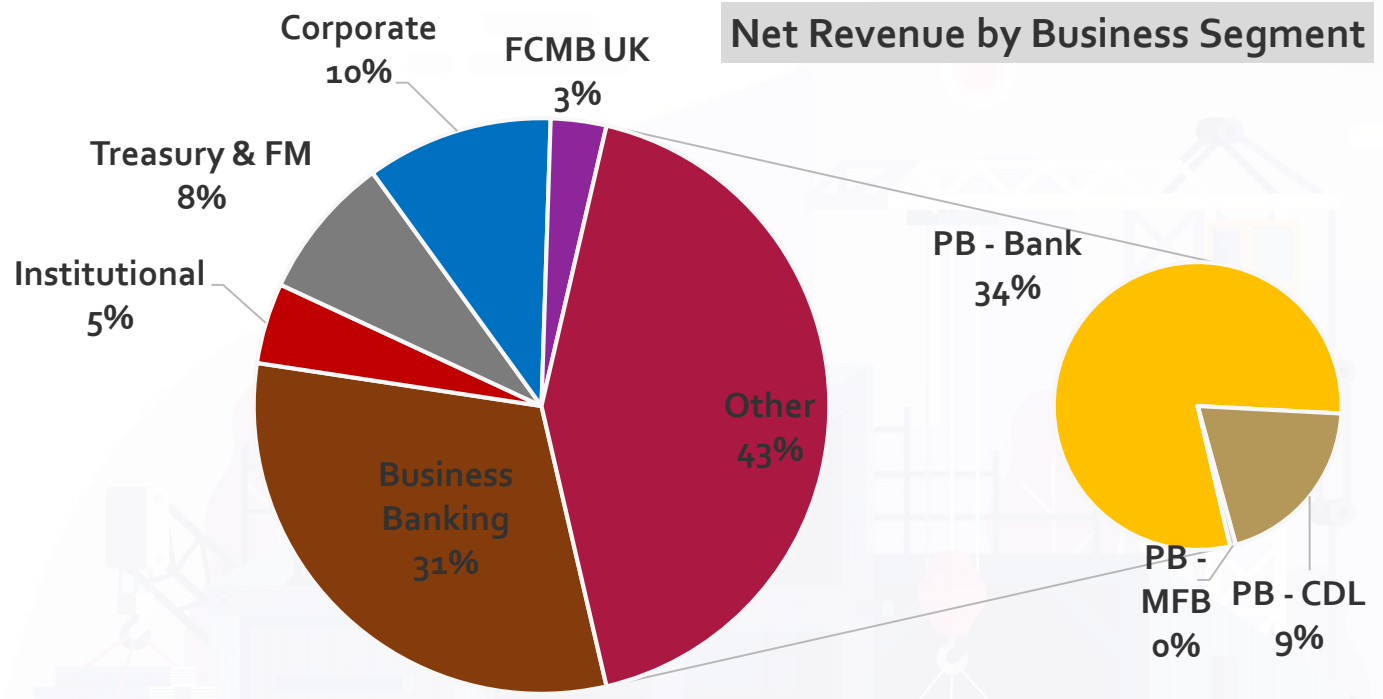
- With a 43% contribution, personal banking continues to be a major earner of net revenue. Our retail-led strategy continues to yield positive results with our Alternative Channels drive and Digital Banking initiatives, such as USSD, *329# and FCMB mobile app;
- Personal banking has a stable deposit base with the right low-cost mix. This is from new customer acquisition in addition to retention of deposits from existing customers;
- Upward trend in our retail digital banking evolution as more retail transactions now done on electronic/digital banking channels; (please refer to slides 21 & 22);
- The segment also continues to drive digital initiatives to moderate OPEX and cost of funds.

Business Banking

- Contributed 31% to net revenue, a 9.6% YoY increase, driven majorly by growth in Non-Interest Income;
- Digitalised SME lending improved loan origination and processing.

Corporate Banking

- Contributed 10% to net revenue.



Institutional Banking

- Contributed 5% to net revenue.
- FCMB UK had a 46% YoY growth in net revenue from N1.26bn in 3Q18 to N1.83bn in 3Q19;
- PBT growth of 6% YoY from N376.52m for 3Q18 to N400.72m in 3Q19.

N'm	1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
Revenue	42,542	44,605	44,624	0%	135,503	131,771	-2.8%
Net Interest Income	18,362	19,691	17,294	-12.2%	57,847	55,347	-4.3%
Non-Interest Income	6,599	6,511	11,158	71.4%	28,039	24,268	-13.4%
Net impairment loss on financial assets	(2,282)	(3,198)	(2,333)	-27.1%	(14,688)	(7,813)	-46.8%
Operating Expenses	(18,767)	(19,034)	(22,669)	19.1%	(56,692)	(60,469)	6.7%
PBT	3,913	3,970	3,476	-12.4%	14,506	11,358	-21.7%
Risk Assets (net) (N'B)	614.94	617.66	637.80	3.3%	601.13	637.80	6.1%
Customer Deposits (N'B)	836.68	825.86	866.20	4.9%	758.72	866.20	14.2%

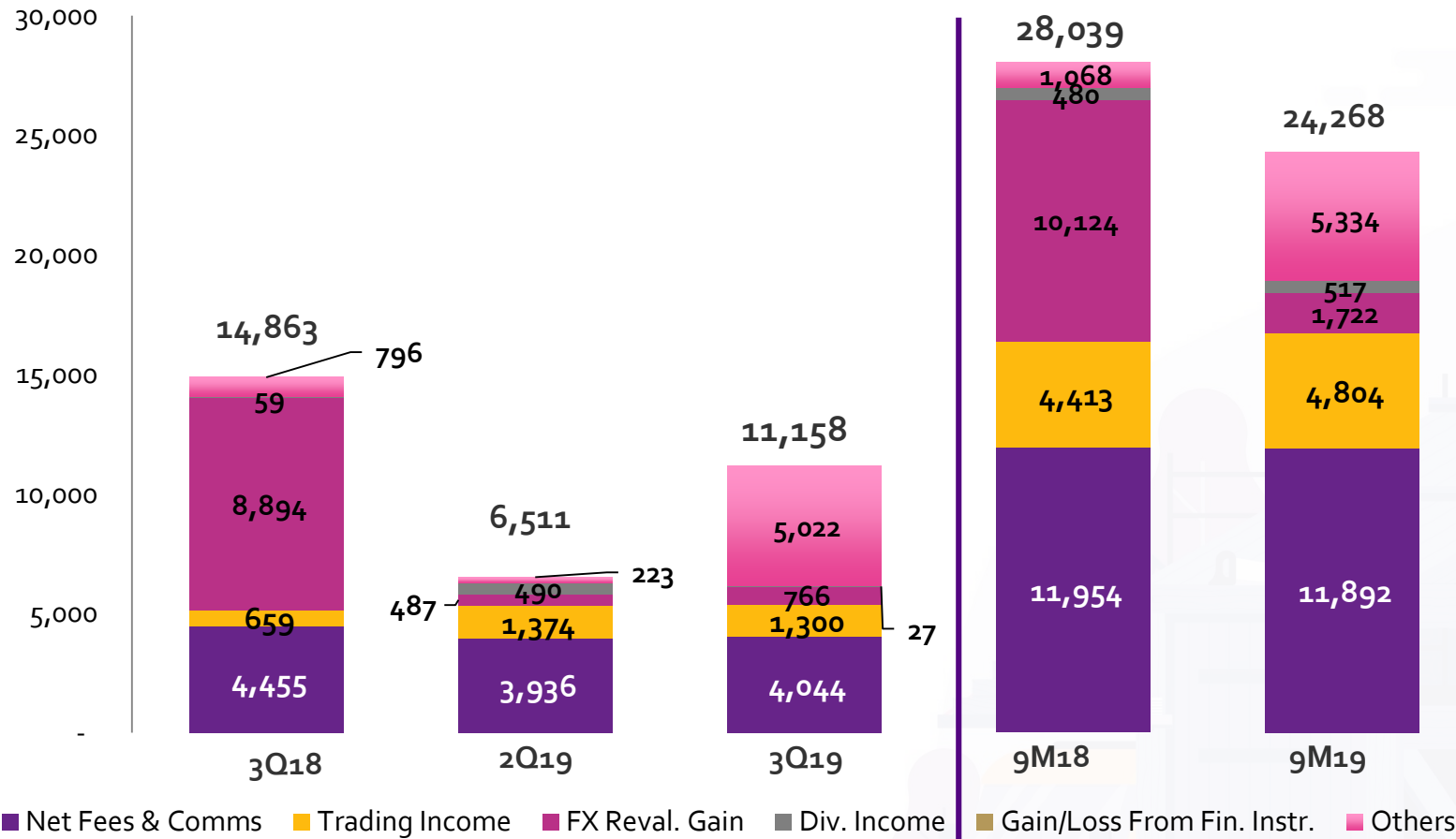
- 12.4% decrease in PBT from N3.97bn in 2Q19 to N3.48bn for 3Q19. Also 21.7% YoY decline in PBT from decrease in net interest income, non-interest income and operating expenses as a result of regulatory cost;
- Net interest income declined 12.2% QoQ and 4.3% YoY, largely due to reduction in yield on earning assets;
- Non-interest income grew 71.4% QoQ, from a litigation-related reversal and declined 13.4% YoY, from the non-recurrence of gains from FX income on convergence;
- Risk assets grew 3.3% QoQ, and 6.1% YoY;
- Deposits grew 4.9% QoQ and 14.2% YoY, supported by growth in low cost deposits.

Commercial & Retail Banking Performance Review: 1Q19 - 3Q19 & 9M18 vs. 9M19

N'm	1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
CIR	75.3%	72.6%	79.6%	9.6%	66.8%	75.9%	13.6%
NIM	7.4%	7.4%	6.5%	-12.2%	8.1%	7.0%	-13.8%
Loan/ Deposit Ratio	68.1%	68.9%	68.6%	-0.4%	74.2%	68.6%	-7.5%
Capital Adequacy Ratio	16.4%	16.3%	17.56%	7.9%	17.05%	17.56%	3.0%
Liquidity Ratio	47.7%	40.2%	39.8%	-0.9%	50.5%	39.8%	-21.3%
NPL/Total Loans	4.3%	4.3%	3.5%	-19.2%	5.1%	3.5%	-31.7%

- Liquidity and Capital adequacy ratios of 39.8% and 17.56%, respectively, are well within regulatory limits.
- Improvement in NPL/Total Loans as ratio reduced by 19.2% QoQ and 31.7% YoY.

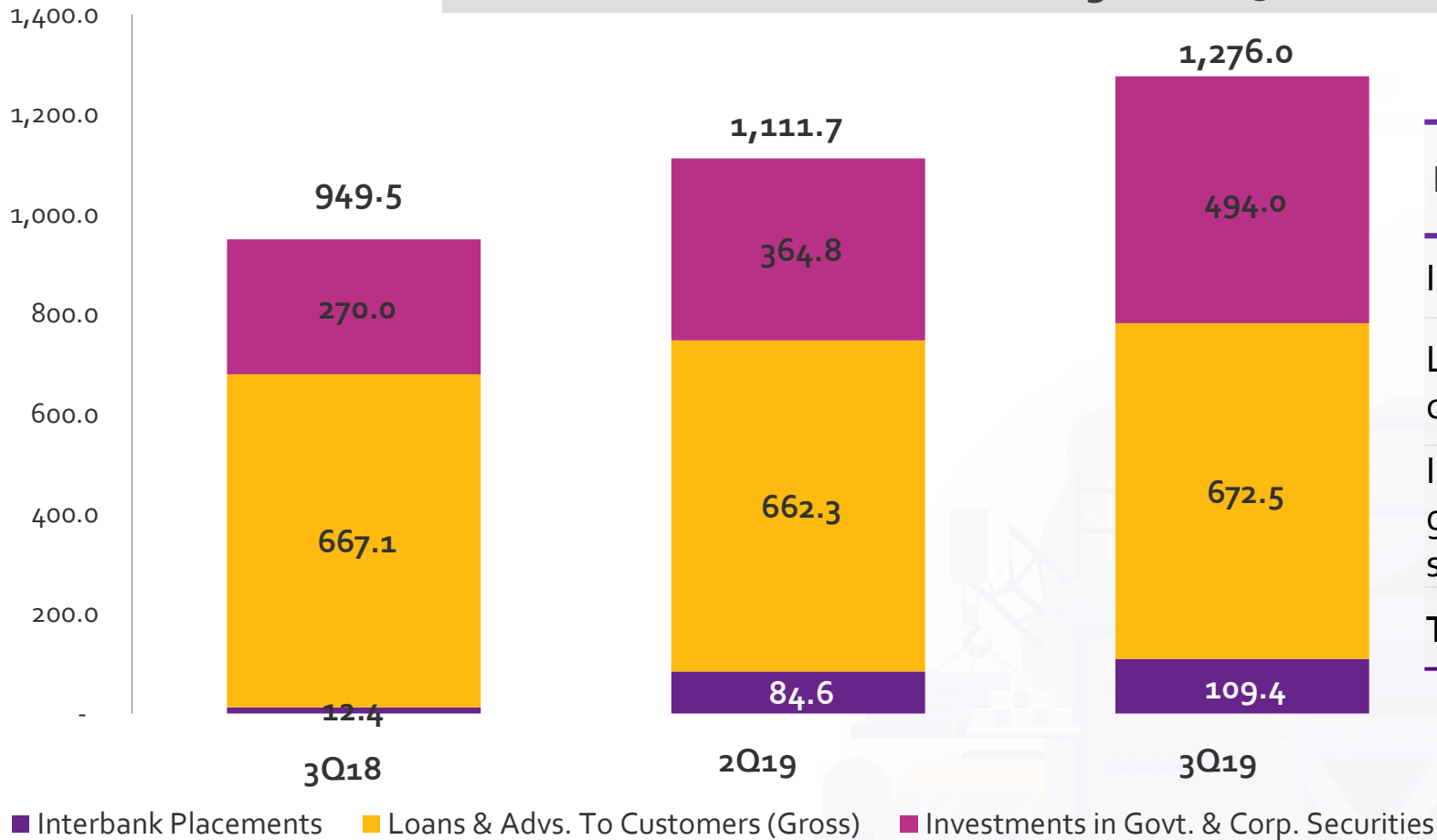
Non-Interest Income Analysis: 3Q18 vs. 2Q19 vs. 3Q19 & 9M18 vs. 9M19



N'm	% Δ QoQ	% Δ YoY
Non Interest Income	71%	-13%
Net Fees & Commissions	3%	-1%
Trading Income	-5%	9%
FX Revaluation Gain	57%	-83%
Dividend Income	-95%	8%
Others	2151%	399%

- Net fees and commissions grew 3% QoQ, as we recorded increased usage on our mobile and alternate channels. However, it declined by 1% YoY;
- Trading income declined 5% QoQ due to low trading activities in government-backed securities, but grew 9% YoY;
- Revaluation gains declined 57% QoQ. However, it declined 83% YoY primarily due to non-recurrence of exceptional gains from FX income on convergence of rates in prior year;
- Growth in Other Income was due to prior year litigation-related write back.

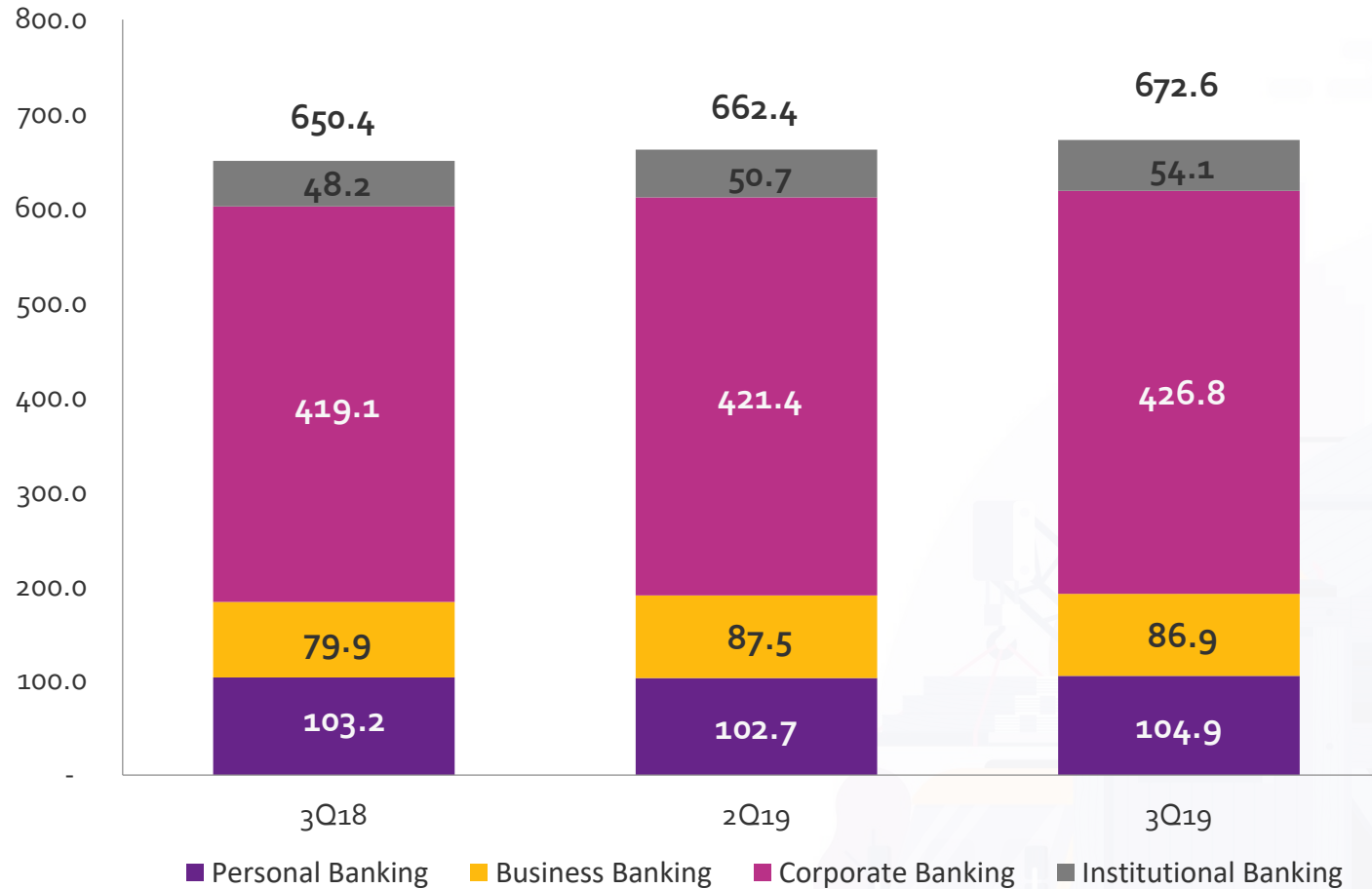
Interest Income & Earning Assets: 3Q18 vs. 2Q19 vs. 3Q19



N'bn	% Δ QoQ	% Δ YoY
Interbank placements	29.41%	784.77%
Loans and advances to customers (gross)	1.54%	0.81%
Investments in government & corporate securities	35.44%	82.99%
Total Earning Assets	14.78%	34.39%

- Total earning assets increased by 14.78% QoQ and 34.39% YoY;
- Interbank placements grew 29.41% QoQ and 784.77% YoY;
- Gross loans and advances grew QoQ by 1.54% and YoY by 0.81%. The gross loan book of N672.52bn represents 53% of total earning assets.

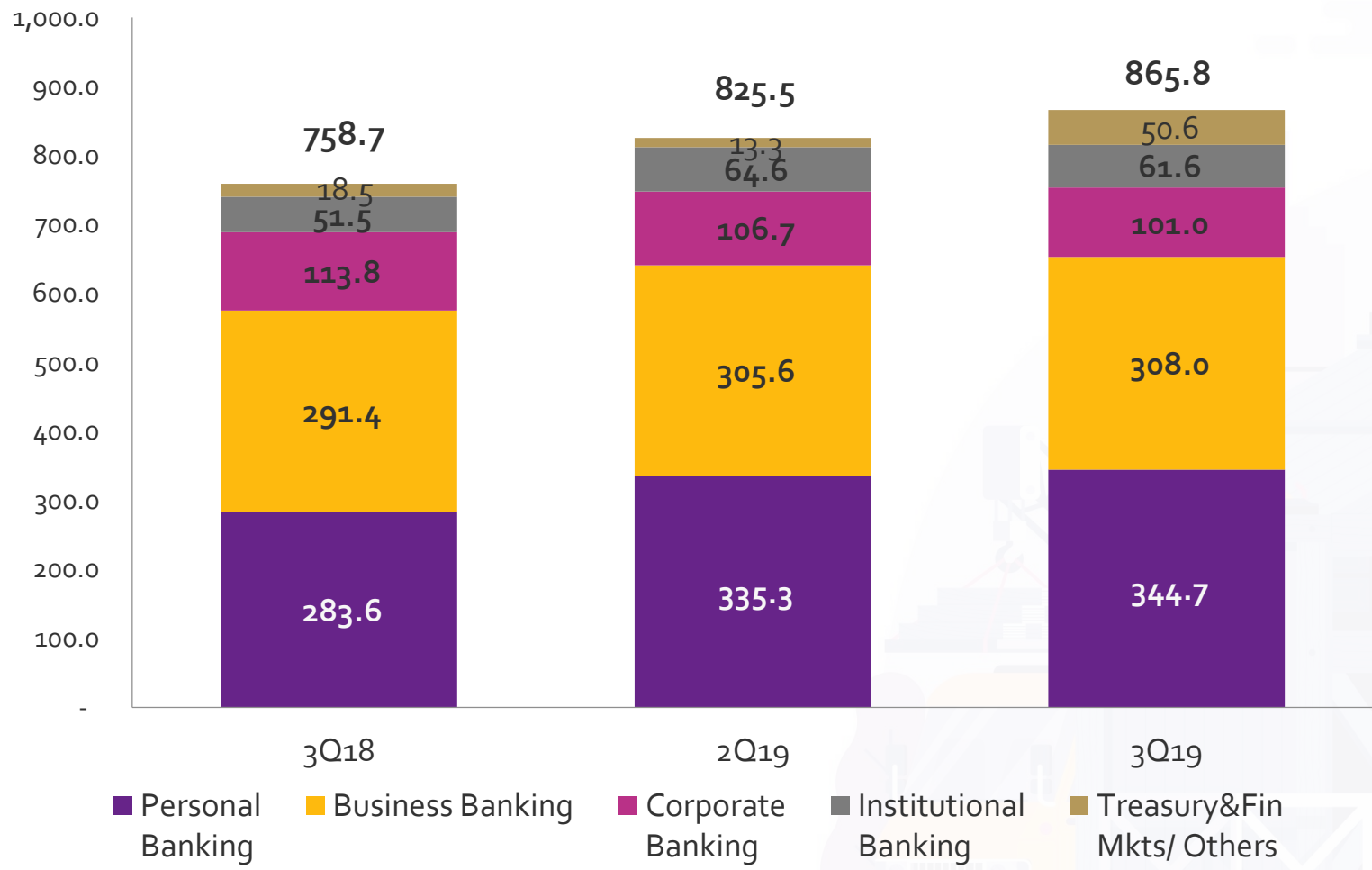
Gross Loan Distribution by Segment 3Q18 vs. 2Q19 vs. 3Q19



Segment	% Δ QoQ	% Δ YoY
Personal Banking	2.1%	1.6%
Business Banking	-0.7%	8.7%
Corporate Banking	1.3%	1.8%
Institutional Banking	6.7%	12.3%

- Focus on personal banking continues to yield growth in that segment with 2.1% growth QoQ and 4.3% growth YoY.
- Upward trend in personal banking loans with the implementation of our retail digital initiatives.
- Business banking (SME) grew 8.7% YoY, but witnessed a downward trend QoQ by 0.7%, largely due to some large paydowns. Growth is expected in 4Q19 through our digital lending strategy and drive for SME loans.
- The corporate banking segment grew by 1.3% QoQ. Corporate banking has now bottomed out and is set to grow more rapidly in 4Q19 and beyond.

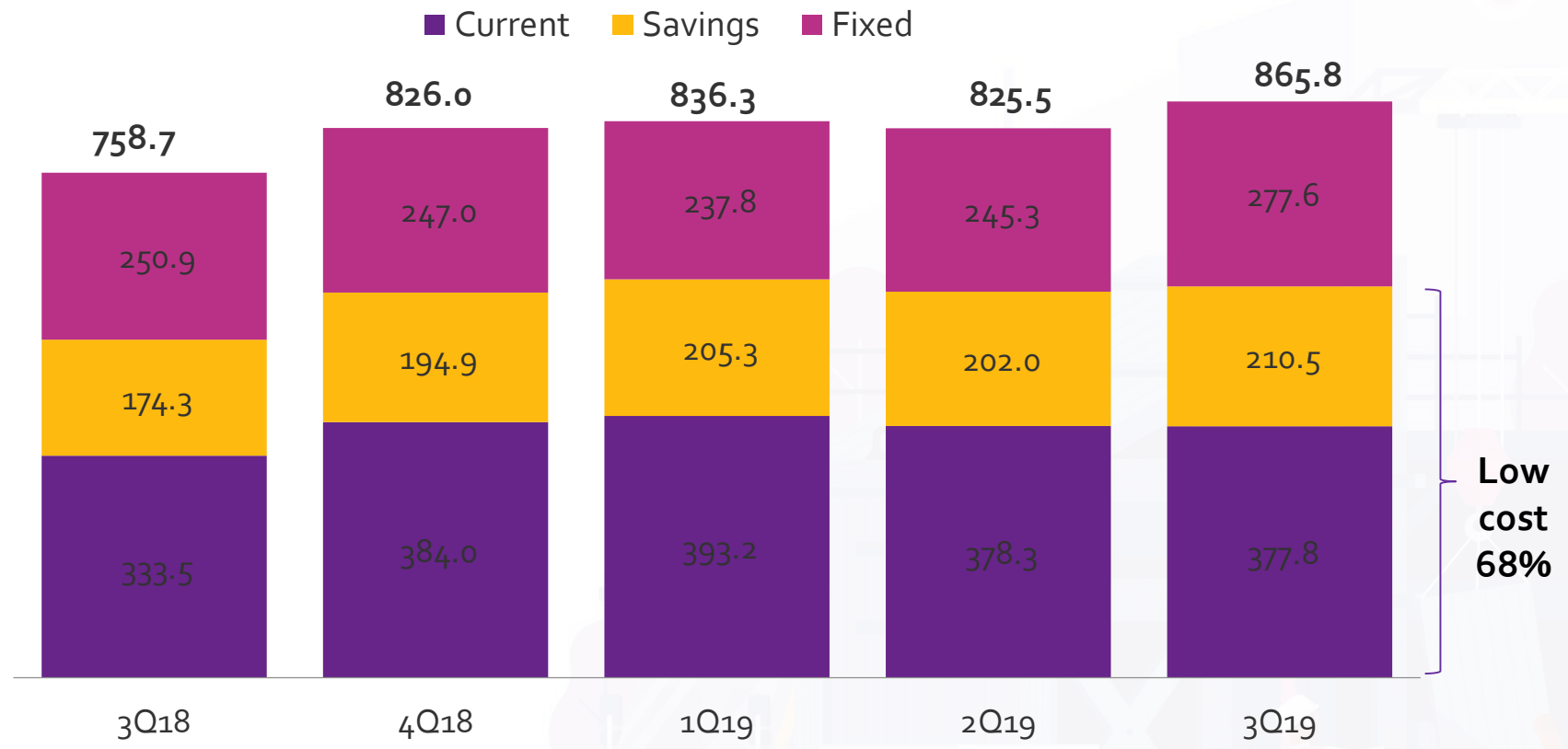
Deposit Distribution by Segment 3Q18 vs. 2Q19 vs. 3Q19



Segment	% Δ QoQ	% Δ YoY
Personal Banking	2.8%	22%
Business Banking	0.8%	6%
Corporate Banking	-5.3%	-11%
Institutional Banking	-4.7%	20%
Treasury & Financial Markets	280.1%	173%

Retail (Personal and Business Banking) deposits now constitute about 75% of total deposits and grew 14% YoY.

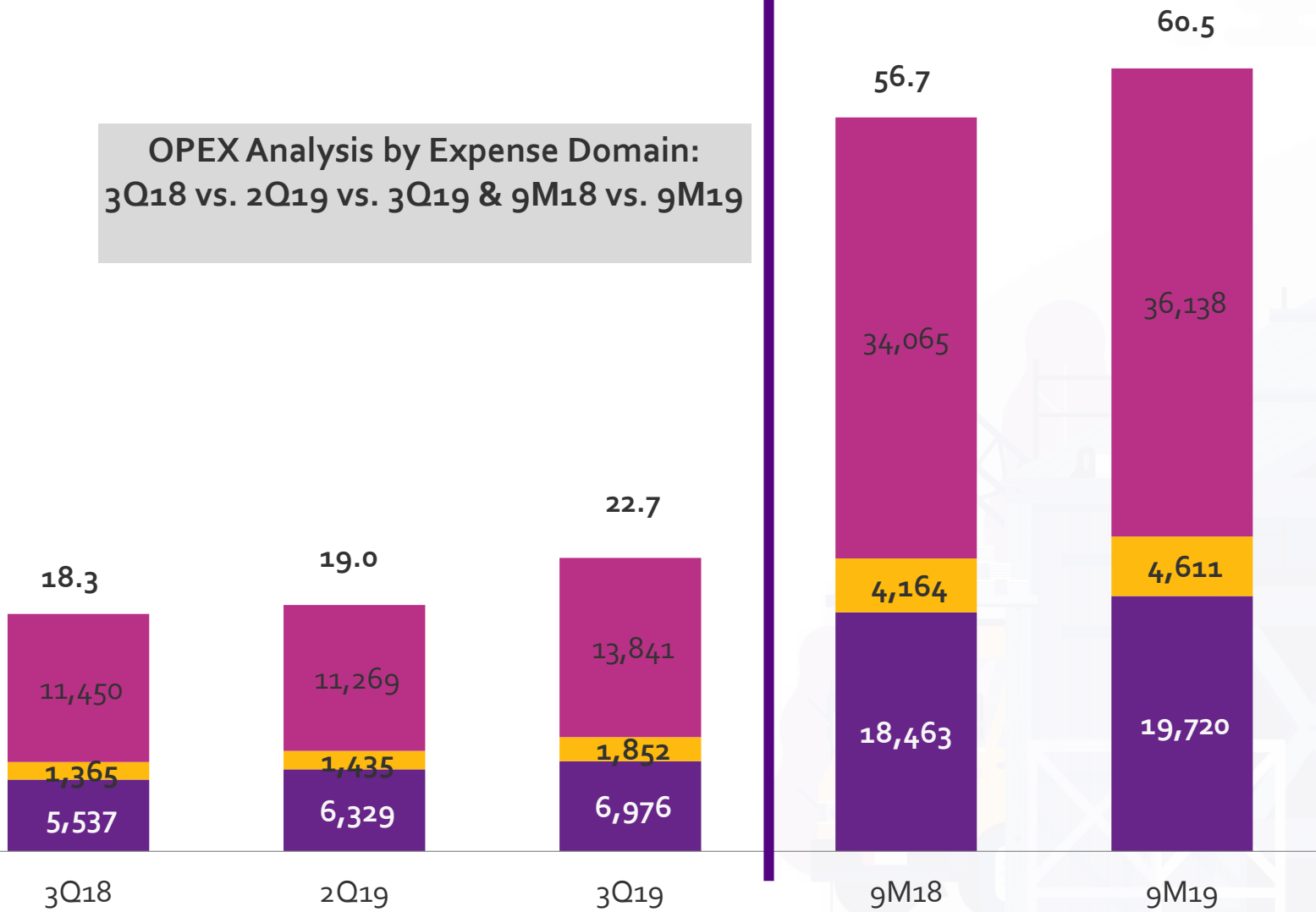
Deposit Distribution by Type: 3Q18 – 3Q19



- Total deposits rose 5% QoQ and 14% YoY, driven by CASA deposits, as a result of our continued focus on retail banking;
- Low-cost deposits now account for 68% of our total deposits, a 2% QoQ decline from 70%.

■ Staff Costs ■ Dep. & Amort. ■ Operating

**OPEX Analysis by Expense Domain:
3Q18 vs. 2Q19 vs. 3Q19 & 9M18 vs. 9M19**

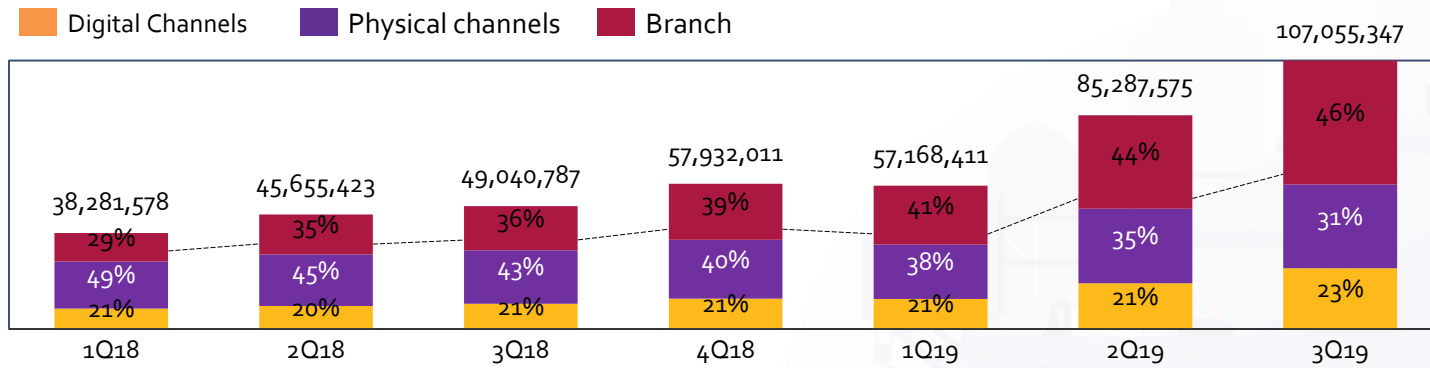


Segment	% Δ QoQ	% Δ YoY
Staff Costs	10.2%	6.8%
Depreciation & Amortisation	29.0%	10.8%
Operating	22.8%	6.1%
Total	19.1%	6.7%

Operating expenses grew 19.1% QoQ, due to reclassification of write-backs (litigation claims) to non-interest income in the quarter and by 6.7% YoY.

Personal Banking Transactions 2018 to 2019

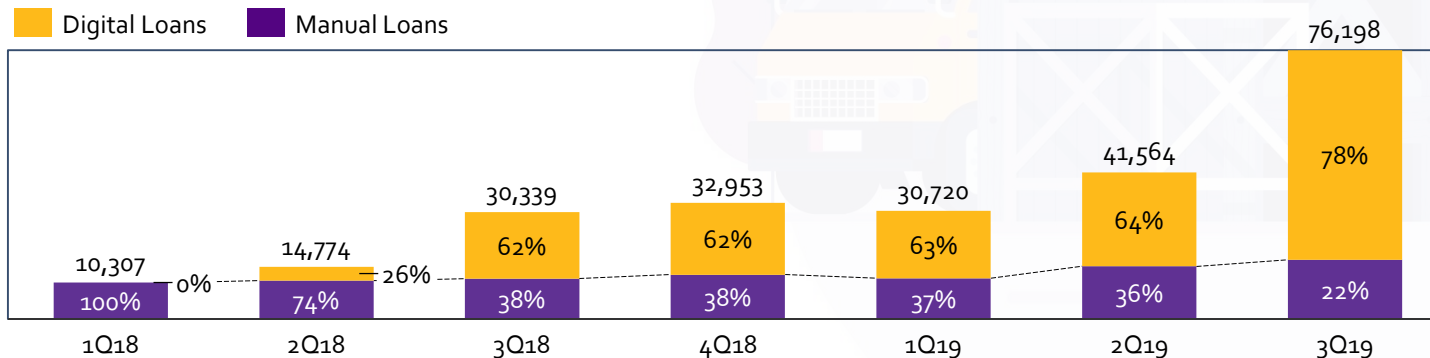
Digital Channels include Mobile, Internet banking and *329#
 Physical Channels includes ATM,POS
 Transactions in Branches include Over the Counter & Electronic transfers



Digital Channels include Mobile, Internet banking and *329#
 Physical Channels includes ATM,POS
 Transactions in Branches include Over the Counter & Electronic transfers

Personal Banking loans 2018 to 2019

- Digital loan count is 78% of total loan count in 3Q19 compared to 62% in 3Q18
- Loan disbursed through digital channels is on the upward trend

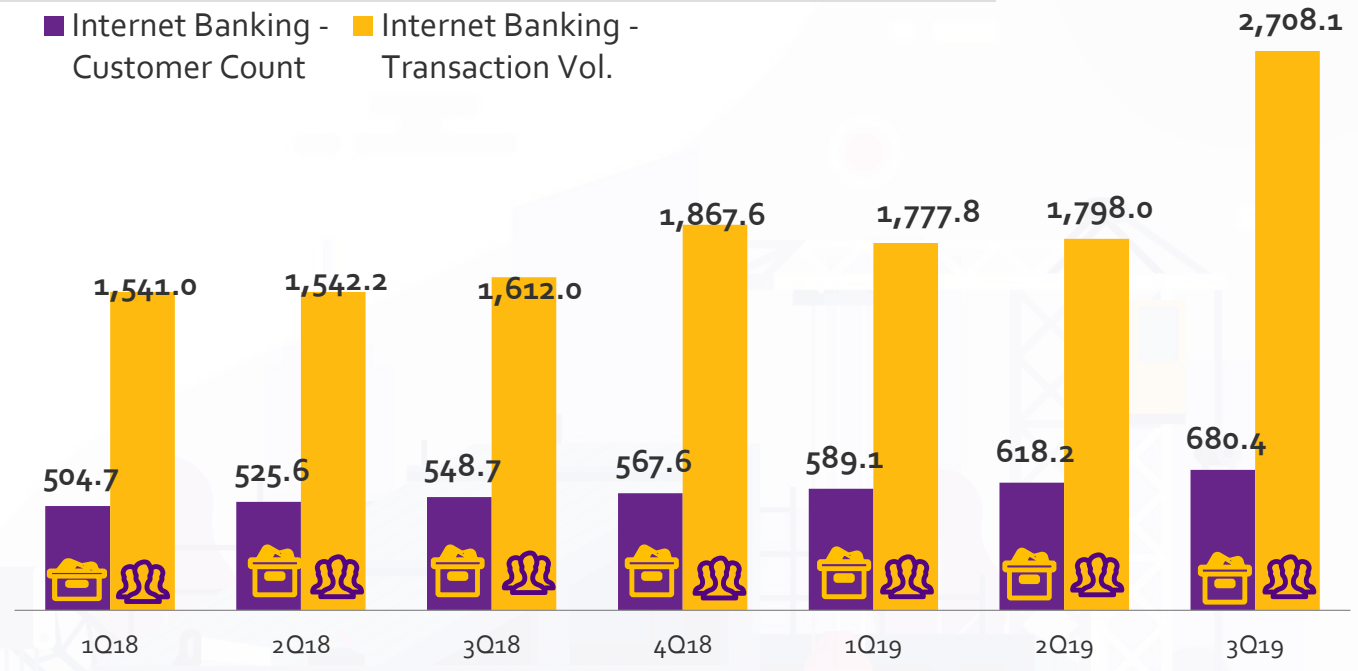
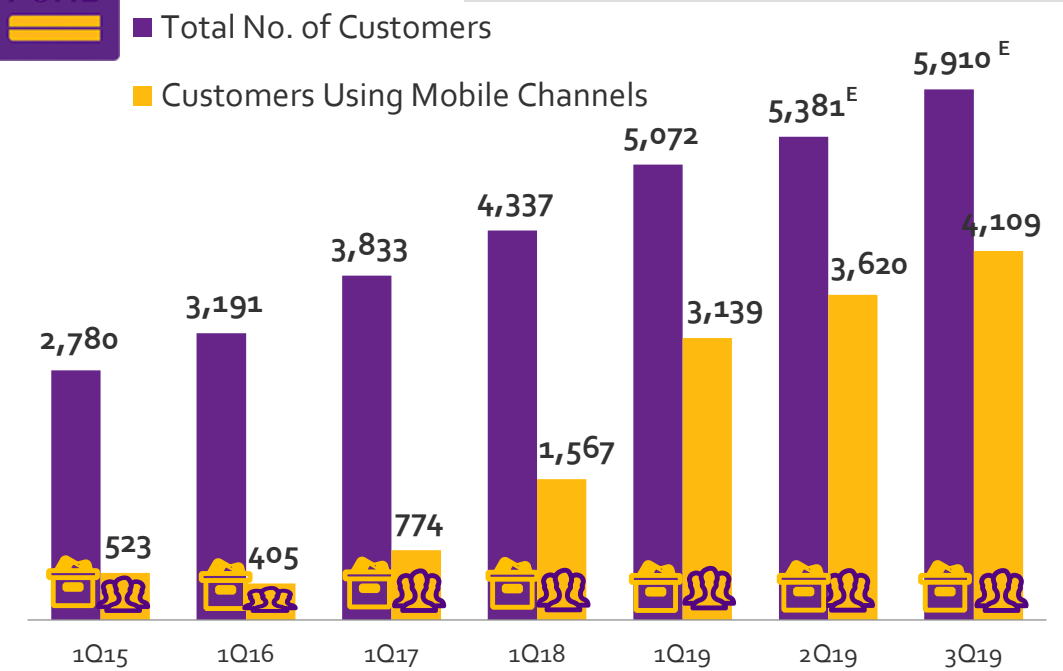


Digital loans includes loans disbursed on *329#, RIB, (Micro loans, Slip free & Salary top up loans)

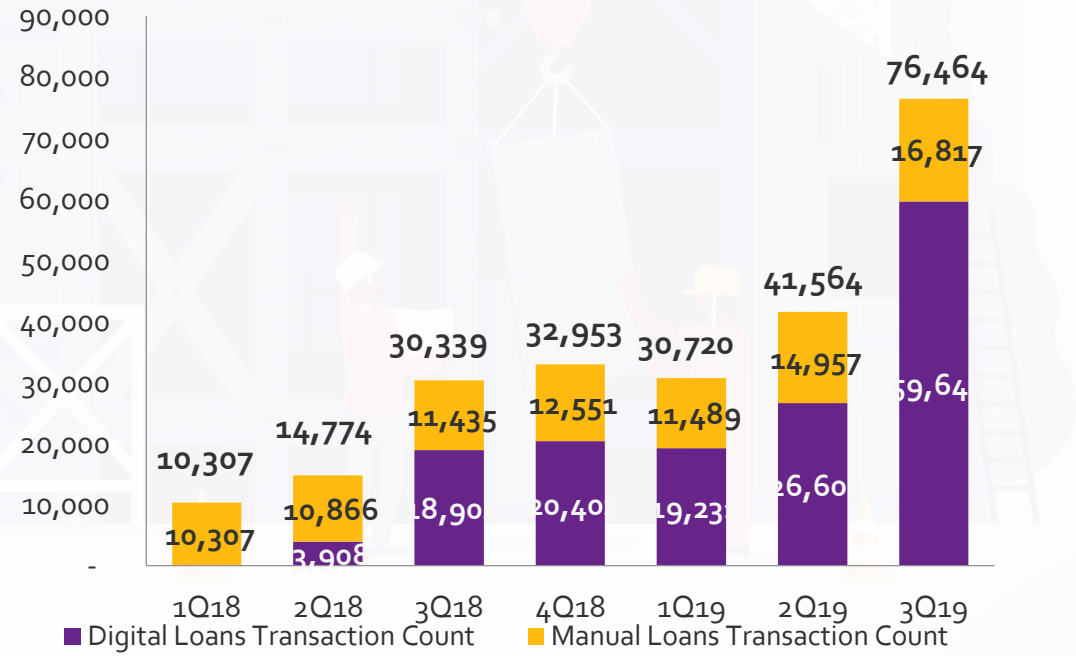
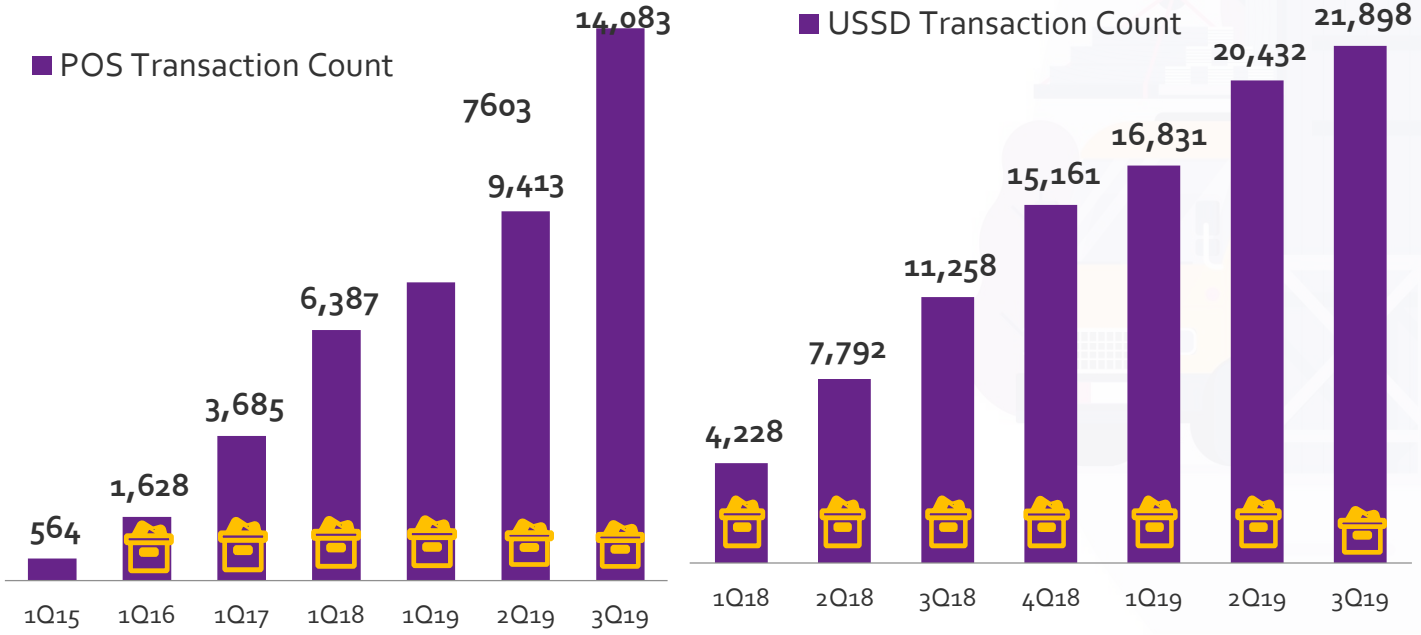
Manual loans are those disbursed in Branches



Digital Financial Services: We continue expand our digital offering across all channels



^E Includes Easy Account Customers





Risk Management Review: Commercial & Retail Banking

Mrs. Yemisi Edun
Chief Financial Officer: FCMB Ltd



Risk Management Review: Analysis of Gross Loans by Sector (Sept. 2018 to Sept. 2019) – N'm

Industry Sector	Sep' 18	Dec' 18	Mar' 19	Jun' 19	Sep' 19	% DISTR.
AGRICULTURE	29,040	40,328	35,748	31,966	37,022	5.5%
COMMERCE	34,595	54,180	32,880	32,781	35,644	5.3%
CONSTRUCTION	1,372	1,653	1,602	1,651	1,229	0.2%
EDUCATION	7,002	5,033	4,657	1,643	1,664	0.2%
FINANCE & INSURANCE	54,956	54,774	50,438	50,184	52,413	7.8%
GENERAL – OTHERS	13,654	11,205	10,205	11,090	10,322	1.5%
GOVERNMENT	2,453	2,409	4,245	6,043	5,980	0.9%
INDIVIDUAL - BANK	84,382	81,708	79,932	80,759	84,825	12.6%
INDIVIDUAL - CDL	17,283	17,167	18,468	20,020	22,461	3.3%
INDIVIDUAL - MICROFINANCE	1,498	1,698	1,546	2,019	1,949	0.3%
INFORMATION & COMMUNICATIONS	18,609	16,243	19,968	22,885	23,322	3.5%
MANUFACTURING	48,982	49,890	53,474	57,985	62,570	9.3%
OIL&GAS-DOWNSTREAM	58,404	68,528	57,102	57,393	50,459	7.5%
OIL&GAS-UPSTREAM	115,993	115,344	112,368	115,043	116,317	17.3%
OIL&GAS SERVICES	40,024	39,896	42,879	42,846	37,811	5.6%
POWER & ENERGY	51,801	50,013	52,885	50,691	51,174	7.6%
PROFESSIONAL SERVICES	51	224	47	58	53	0.0%
REAL ESTATE	63,898	65,500	72,263	71,652	71,661	10.7%
TRANSPORTATION & LOGISTICS	6,358	5,232	5,624	5,643	5,700	0.8%
	650,356	681,024	656,332	662,352	672,577	100.0%

Growth in Agriculture, Manufacturing and Individual as focus sectors contributed largely to the 1.5% QoQ growth in loan book.

Risk Management Review: NPL Distribution by Sector (Sept. 2018 to Sept. 2019) – N'm

BUSINESS SEGMENT	Sept. 2018		June. 2019		Sept. 2019	
	NPL	NPL%	NPL	NPL%	NPL	NPL%
Agriculture	332.35	0.8%	591.29	1.8%	597.89	1.6%
Commerce	17,325.91	37.5%	8,685.96	26.5%	2,940.70	8.3%
Construction	0.19	0.0%	123.26	7.5%	12.19	1.0%
Education	88.20	1.8%	80.16	4.9%	45.53	2.7%
Finance & Insurance	35.98	0.1%	16.93	0.0%	5.47	0.0%
General – Others	930.21	8.3%	887.34	8.0%	134.73	1.3%
Government	70.70	2.9%	73.54	1.2%	0.28	0.0%
Individual - Bank	6,160.35	7.5%	5,814.95	7.1%	5,770.13	6.8%
Individual - CDL	1,740.62	10.2%	1,105.78	5.5%	1,235.13	5.5%
Individual - Microfinance	36.11	2.1%	52.12	2.5%	50.80	2.6%
Information & Communications	5,035.99	31.0%	4,151.58	18.1%	4,042.01	17.3%
Manufacturing	1,672.89	3.4%	183.29	0.3%	1,372.77	2.2%
Oil & Gas – Downstream	170.65	0.2%	196.63	0.3%	276.10	0.5%
Oil & Gas – Upstream	-	0.0%	-	0.0%	993.16	0.9%
Oil & Gas Services	5,147.70	12.9%	5,188.72	12.1%	23.13	0.1%
Power & Energy	-	0.0%	-	0.0%	-	0.0%
Professional Services	0.74	1.2%	1.01	1.7%	0.16	0.3%
Real Estate	1,518.92	2.3%	1,134.75	1.6%	6,005.91	8.4%
Transportation & Logistics	320.58	6.1%	379.56	6.7%	41.27	0.7%
Total	40,588.08	6.0%	28,666.86	4.3%	23,547.36	3.5%

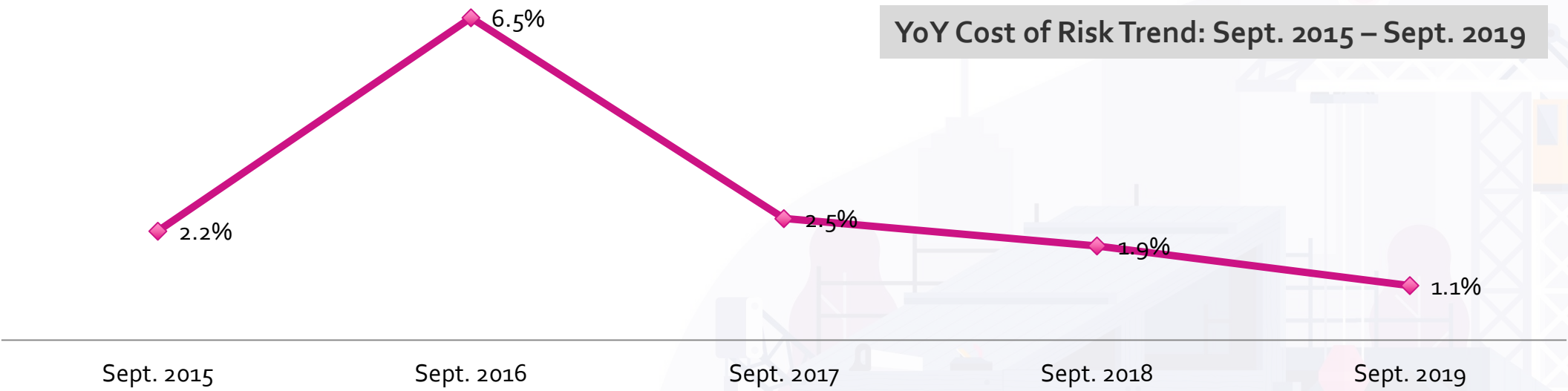
Write off in Commerce and Oil & Gas Services contributed largely to the 17.9% drop in NPL QoQ.



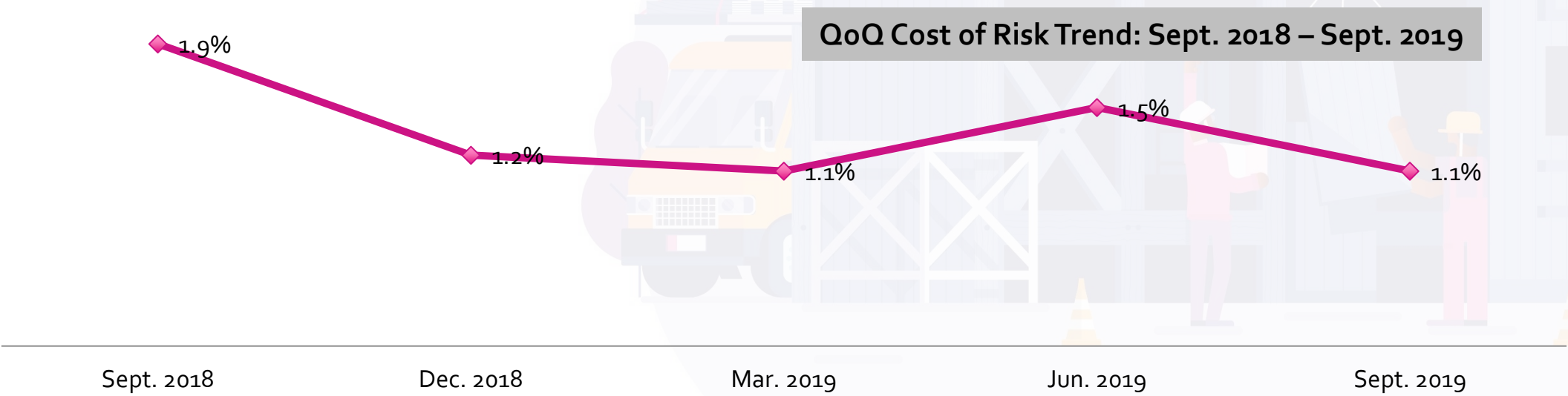
Risk Management Review: YoY & QoQ Cost of Risk Trend Analysis

0.8% and 0.4% improvement in cost of risk YoY and QoQ respectively largely from higher recovery YTD as well as lower charge in Q3

YoY Cost of Risk Trend: Sept. 2015 – Sept. 2019



QoQ Cost of Risk Trend: Sept. 2018 – Sept. 2019



FCMB

Group Performance Review: Asset & Wealth Management

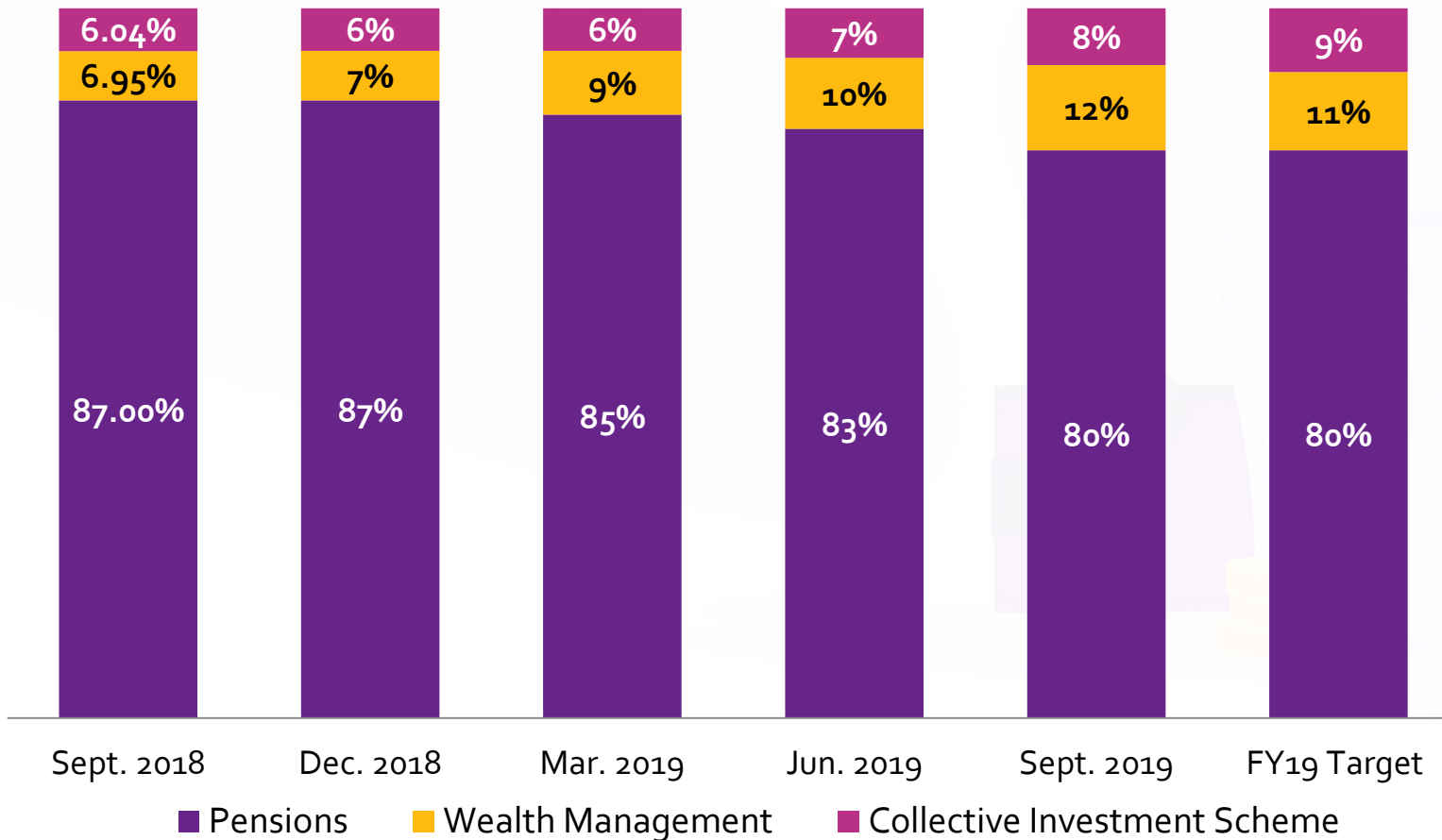
**Mr. Kayode Adewuyi
Chief Financial Officer: FCMB Group Plc**



Asset & Wealth Management Group	1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
N'm							
Gross earnings	945	969	1,068	10%	2,926	2,982	2%
Net Interest Income	88	67	76	14%	231	231	0%
Non Interest Income	857	902	991	10%	2,695	2,749	2%
-Advisory Fees	18	18	16	-10%	75	52	-31%
- Brokerage Commission	4	1	5	258%	3	10	253%
-Asset Management Fees	822	865	947	9%	2,556	2,633	3%
-Others	14	18	24	31%	61	54	-11%
Operating Income	945	969	1,068	10%	2,926	2,980	2%
Operating Expenses	(599)	(615)	(616)	0%	(1,499)	(1,830)	22%
PBT	346	355	452	27%	1,427	1,151	-19%
TAX	(102)	(105)	(133)	27%	(425)	(341)	-20%
PAT	243	250	319	28%	1,002	810	-19%
AUM	338,738	356,516	379,660	6%	288,974	356,516	23%
ROAE	24%	23%	23%	0.0%	33%	23%	-30%
CIR	63%	63%	58%	-9%	51%	61%	20%

- The Asset & Wealth Management Group grew its AUM by 7% QoQ and by 31% YoY, to N380 billion, reflecting both the continued success of partnerships with other arms of FCMB Group and increased conversions of marketing efforts into sales;
- Our Pensions business contributed 80% of AUM, down from 83% recorded in the previous quarter and from 87% in 3Q 2018;
- The Group's PBT of N452 million accounted for 9% of overall PBT in 3Q, versus 8% in 2Q 2019.

Asset & Wealth Management Group - Contribution to AUM



- We expect the Group's full year AUM to grow by 23% YoY to N387 billion;
- Contribution to AUM from Collective Investment Schemes and Wealth Management should account for 20% of total AUM, by the end of the year, versus 13% at the end of 2018;
- We expect full year PBT to close at N1.6 billion, with our Pensions business contributing 77% of PBT.

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

Group Performance Review: Investment Banking

Mr. Tolu Osinibi
Executive Director: FCMB Capital Markets Ltd



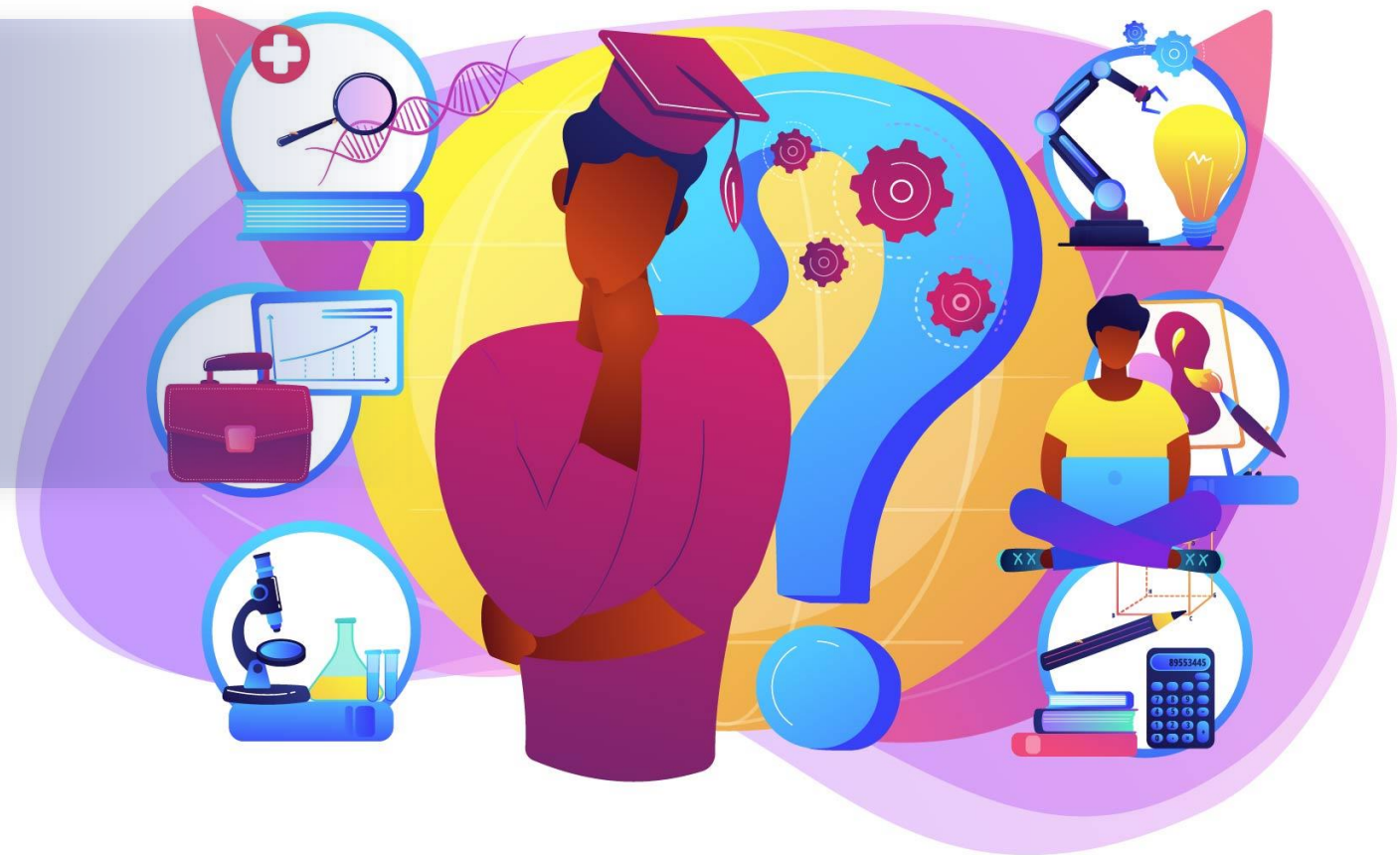
Investment Banking Group	1Q19	2Q19	3Q19	%Δ QoQ	9M18	9M19	%Δ YoY
N'm							
Gross earnings	342	430	337	-22%	1,264	1,110	-12%
Net Interest Income	115	110	113	4%	410	338	-18%
Non Interest Income	228	321	223	-31%	854	771	-10%
- Advisory Fees	98	204	74	-64%	194	376	94%
- Brokerage Commission	91	98	105	7%	577	293	-49%
- Trading Income	22	11	5	-58%	5	37	676%
- Dividend	0	4	0	n/a	1	4	204%
- Others	17	4	39	932%	76	60	-21%
Operating Income	342	430	336	-22%	1,263	1,109	-12%
Operating Expenses	(326)	(318)	(339)	7%	(983)	(984)	0%
PBT	16	112	(3)	-103%	280	125	-55%
TAX	(4)	(38)	1	-102%	(94)	(41)	-57%
PAT	12	75	(2)	-103%	186	84	-55%
ROaE	1%	8%	3%	-62%	10%	5%	-53%
CIR	95%	74%	101%	36%	78%	89%	14%

- The division's PBT declined significantly QoQ, driven by a substantial drop in advisory income arising from delayed execution and completion of some financial advisory and capital raising transactions.
- Our brokerage value traded for 9M19 declined by 53% YoY, tracking the YOY decline in total market traded value that was down 30%. This resulted in a 49% YoY decline in brokerage revenue to N293bn.
- Though the division has performed below revenue expectation, we've maintained cost discipline and operating expenses have remained flat YoY, while we focus on turning around the revenue gap.

Outlook

Mr. Ladi Balogun

Group Chief Executive: FCMB Group Plc



Outlook

- ❖ We intend to finish 4Q19 strongly, with:
 - Continued retail momentum (personal and business banking);
 - Stable cost of risk;
 - Growth in AUM;
 - Declining cost of funds;
 - Accelerating loan growth in retail (digital) and corporate banking.



Appendix





Femi Badeji
Executive Director,
Corporate &
Investment Banking:
FCMB Group Plc

- 20 years working experience in Engineering and Banking gained in the United States of America, South Africa and Nigeria.
- Worked with Houlihan Lokey and Rand Merchant Bank.
- Holds an MBA, with specialisation in Finance and Accounting from the Wharton School, University of Pennsylvania.
- Oversees Corporate and Investment Banking investments.



Roger Ellender
Non-Executive
Director: FCMB Ltd

- Over forty years' experience in investment and commercial banking, in an emerging market environment, of which the past twenty years have been spent in Nigeria.
- Prior to establishing his own financial consultancy firm, Ellender Enterprises, Roger was the Chief Risk Officer at the Africa Finance Corporation (AFC), Lagos – an African supranational financial institution that specialises in infrastructure financing in Africa, specifically in power, oil & gas, transportation, heavy industry and telecommunications.
- Prior to working for AFC, Roger worked for a number of financial institutions in Nigeria, mainly in business origination, operations, risk management, compliance and controls.
- Prior to coming to Nigeria, Roger worked for a number of global financial institutions, primarily in the Middle East and Asia, and with global financial institutions, including UBS, Credit Suisse, Standard Chartered Bank, BNP (now BNPP) and Bank of America.
- Roger's financial skills include structuring of complex infrastructural related transactions, risk management (design and implementation of policies within an Enterprise Risk Management Framework), remedial debt restructuring, structured trade finance, portfolio management, corporate governance, compliance, banking operations and board director functions, applied to a Pan African environment.
- Roger has a BA (Hons) from the University of Liverpool and a MA from the University of Essex. He is an Alumnus of INSEAD , Fontainebleau (France) and IMD, Lausanne (Switzerland).